



Tennessee Student Assistance Corporation

September 28, 2006
Board of Directors Meeting

A G E N D A

Tennessee Student Assistance Corporation

BOARD MEETING

Tennessee State Capitol
Executive Conference Room
Ground Level
Nashville, Tennessee

Thursday, September 28, 2006

- I. CALL TO ORDER – 1:00 p.m.**
- II. ADOPTION OF AGENDA**
- III. ROLL CALL OF MEMBERS AND DETERMINATION OF A QUORUM**
- IV. APPROVAL OF THE MINUTES OF THE JUNE 15, 2006
BOARD MEETING1**
- V. CHAIRMAN’S REPORT**
- VI. EXECUTIVE DIRECTOR’S REPORT**
- VII. DECISION ITEMS**
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X. NEW BUSINESS

XI. OLD BUSINESS

XII. ADJOURNMENT – Approximately 3:30 p.m.

Minutes
Tennessee Student Assistance Corporation (TSAC)
Board of Directors Meeting
June 15, 2006
1:00 p.m. CDT

The Board of Directors of the Tennessee Student Assistance Corporation met on Thursday, June 15, 2006, in Suite 1803, Parkway Towers, in Nashville, Tennessee. The meeting was called to order by Vice Chairman Richard Rhoda at 1:00 p.m.

The following board members and alternate representatives were present:

Dr. Richard G. Rhoda, Executive Director, THEC

Dr. Robert Ruble, Executive Director, TSAC

Mr. Dale Sims, State Treasurer

Dr. Paul Starnes, President, Tennessee Proprietary Business School Assoc., Inc.

Mr. Patrick Smith, Designee for Gov. Phil Bredesen

Mr. Morgan Branch, Designee for Commissioner Lana C. Seivers, State Department of Education

Ms. Faye Weaver, Designee for Mr. John Morgan, Comptroller of the Treasury

Mr. Pete Abernathy, Designee for Commissioner Dave Goetz, Department of Finance & Administration

Dr. Claude O. Pressnell, Jr., President Tennessee Independent Colleges and Universities Association

Dr. Joel Cunningham, Vice Chancellor and President, University of the South; and Chairman, Tennessee Independent Colleges and Universities

Katie High, Designee for Dr. John Petersen, President University of Tennessee

Chancellor Charles W. Manning, Tennessee Board of Regents

The following board members were unable to attend:

Gov. Phil Bredesen

Ms. Lana Seivers, Commissioner of Education

Mr. John Morgan, Comptroller of the Treasury

Mr. Dave Goetz, Commissioner of Finance and Administration

Dr. John Petersen, President, University of Tennessee

Mr. Forrest Stuart, President, Tennessee Association of Student Financial Aid Administrators

Mr. Clay Petrey, Private Citizen

Ms. Deborah Cole, Commercial Lender Representative

Consideration of the Minutes of the March Board Meeting

R-06-06.1 RESOLVED. That the board approves the minutes of the March 23, 2006 meeting (Motion-Sims, second-Starnes, unanimously approved).

Chairman's Report

Dr. Rhoda announced retiring and new board members. He thanked Nicole Brooks and Forrest Stuart for their service and welcomed Janette Overton as the new president of TASFAA.

Executive Director's Report

Dr. Robert Ruble then gave the Executive Director's report. Dr. Ruble introduced new staff members:

Micaela Brown, Executive Assistant

Bill Crittenden, School Program Reviewer

Jennifer Jackson, Publications and Web Designer

He then announced that Communication Services was making some changes in geographic territories of the outreach specialists and creating regional offices. The department will provide a complete report at the next board meeting. He also said the 2004-05 audit was completed recently, which allows TSAC to proceed with preparing the 2004-05 annual report, expected to be complete in a few months. He also announced the agency is in the middle of a federal audit for 2003-04 and 2004-05. The state audit will begin soon for 2005-06.

Dr. Ruble said last month senior TSAC staff put on training sessions across the state. The staff held day-long workshops with financial aid officers and high school counselors in six locations: Morristown at Walter State Community College, Knoxville at Pellissippi State, Cleveland at Cleveland State Community College and Memphis at Southwest Technical Community College in Jackson at Union University and Nashville at Nashville State Community College.

Selection of Board Officers

Dr. Rhoda then reviewed Decision Item A, selection of board officers and committee meetings for next year. The Nominating Committee, consisting of Chancellor Charles Manning, President John Petersen and Mr. Clay Petrey, announced no new nominations to the board.

R-06-06.2 RESOLVED. That the current board officers, Executive Committee, Appeals Committee and Audit Committee be reinstated for 2007. The officers and committee members are as follows:

Officers

Chairman: Gov. Phil Bredesen

Vice Chair: Dr. Richard G. Rhoda

Secretary: Dr. Claude O. Pressnell, Jr.

Treasurer: Mr. Dale Sims

Executive Committee

Chairman: Gov. Phil Bredesen, Chair

Mr. Dave Goetz

Mr. John Morgan

Dr. Claude O. Pressnell, Jr.

Dr. Richard G. Rhoda
Mr. Dale Sims
Appeals Committee
Charles W. Manning, Chair
Mr. John Morgan
Dr. John Petersen
Dr. Richard G. Rhoda
Dr. Paul Starnes
Audit Committee
Ms. Deborah Cole, Chair
Mr. Pete Abernathy
Mr. Clay Petrey

(Motion-Smith, second-Branch, unanimously approved).

Tennessee Student Assistance Award Program Status Report

Naomi Derryberry, Grant and Scholarship Program Administrator, gave a status report for the Tennessee Student Assistance Award Program. She reported that 2006-07 awards were not made after March 1, 2006 because funds were exhausted. An additional appropriation of \$2.1 million for the program was provided by the 2006 General Assembly. This amount, together with \$1.4 million federal LEAP/SLEAP funds, will enable TSAC to award those students who submitted incomplete applications by March 1 and who subsequently corrected their applications.

Tennessee Education Lottery Scholarship Program Status Report

Robert Biggers, Lottery Scholarship Administrator, reported on the status of the Tennessee Educational Lottery Scholarship Program. He noted that 2004-05 was the first year of awards, the second year was 2005-06 and the third is 2006-07. He reminded the board that it had recommended that his department separate the ASPIRE and General Assembly Merit (GAM) from the HOPE scholarship data. His department is still working on separating those statistics and intends to have it done by the next board meeting. He said that just over 31,000 students received HOPE, ASPIRE and GAMS awards by July 1, 2005, the end of the last award year. This year, as of May 1, 2006, the number is 40,023 students. The HOPE Foster Care Grant, which began in the 2005-06 year, had about 115 students who were wards of the court. Of those, 85 were certified as eligible for the grant, and of those, only 30 were awarded the Foster Care Grant and HOPE Access Grant. With the ACT increase to 21 for the HOPE Scholarship, more HOPE Access Grant awards were made this year in comparison to the 2004-2005 award year.

Additionally, more than 5,000 students received the dual-enrollment grant. When considering all combined lottery scholarship programs, as of May 1, 2006, a little more than 54,000 students received awards this year, up from 40,000 last year.

Dr. Pressnell requested that once Mr. Biggers has the final 2005-06 data, that a summary be sent electronically to all the board members.

Federal Family Education Loan Program Status Report

Stephanie Aylor, Director of Student Loans, reported on the status of the Federal Family Education Loan Program. She reported that in the first ten months of 2005-06 TSAC guaranteed Stafford and PLUS loans totaled more than \$338 million dollars. By year end, she expects to either meet last years figures or exceed them.

Chancellor Charles W. Manning asked if the inception of the HOPE scholarship program has reduced indebtedness. Ms. Aylor said she hasn't done a true comparison to see, in part due to an old computer system. He said he would like to see a study to determine how much borrowing is done on true need and how much is done because students would like to have the money for other purposes. Dr. Pressnell said that there have been studies done that show what students tend to take the maximum loan amount to supplement living expenses.

Ms. Aylor reported that after July 1, 2006, Stafford loans switch from a variable rate loan of around 5% to a fixed rate loan of 6.8%. The PLUS loan program is already a fixed-rate loan, but it is going to increase to 8.5% as of July 1. There is also a new PLUS loan for graduate students that is the same rate as the parent PLUS loan. It is expected that students and parents may consolidate all their PLUS loans at the lower consolidation loan rate of 8.25%.

She also said there is a new military deferment for those in active duty service and new definitions that lenders and financial aid community need to learn. This applies to FFELP, Direct and Perkins federal loans. There is a rule change for rehabilitation loans for defaulted borrowers. As of July 1, 2006, borrowers under the program only have to make nine payments within 10 months instead of 12 months to rehabilitate their loans and get out of default and correct their credit score. This rule change is part of the Higher Education Reconciliation Act, or HERA.

Dr. Pressnell then asked if it would be possible to get the aggregate loan activity in Tennessee other than TSAC as the guarantor of loans. Ms. Aylor said it was possible with NSLDS data. He suggested that if a comparative analysis study is done as suggested by Chancellor Manning, that the guarantee agency variable be eliminated to see what the total aggregate loan volume across the state is.

Compliance Division Report

Darolyn Porter, Director of Compliance, provided a status report. She highlighted a High School Counselors Internship Program as part of her department's outreach efforts. This program will work with 12 colleges and universities in the state.

Tennessee Student Assistance Award Program Taskforce Progress Report

Mr. Greg Schutz, Chair of the TSAA Taskforce and Director of Assessment and Institutional Effectiveness with the Tennessee Board of Regents, presented the report of the Taskforce. He reminded board members what the Taskforce goals were and then presented five scenarios for improving the TSAA program and the strengths and weaknesses of each scenario.

Briefly, the five options were:

- Status Quo
- Simplify Award Structure
- Gradual Drop Off
- Campus Based Awards with Minimum and Maximum Awards Amounts
- Campus Based Awards with Determined Award Amounts

After presenting these scenarios, Mr. Schutz suggested that the board then discuss them interactively or ask questions. Discussions ensued, questions were asked. After a thorough discussion, Dr. Rhoda stated that he felt there was a board consensus not to choose any of the scenarios at this time.

Dr. Pressnell suggested that the Taskforce put together some data and chart that show the effects of the different scenarios. Dr. Rhoda further suggested that the Taskforce gather more information and suggested that some board members attend the next meeting of the Taskforce in July.

Status of Federal Reserve Recall

Dan Lee, Associate Executive Director for Business Affairs, gave the status of the Federal Reserve Recall. Tennessee paid approximately \$1.3 million, or 34% of its total obligation, in September 2002. The second payment was roughly \$1.3 million, to be paid in September 2006. The final payment of approximately \$1.3 million will be paid in September 2007.

TSAC Budget for 2006-07

Mr. Lee also gave TSAC's budget update. Highlights include:

The allotment code 332.19 is the lottery for education account and there is a \$25 million improvement to fund the pre-K program through a grant to the Tennessee department of education. TSAC reimburses the department from this allotment code for its eligible expenditures.

332.03 is the Tennessee student assistance awards allotment code. There is a \$2.1 million improvement. This is a partial restoration (50%) of the 4.2 million dollar budget reduction that was made in fiscal year 2003-04. The lottery for education account (332.19) had an additional improvement of \$38,100,000 for lottery scholarship growth. This may be adjusted further as updated estimates are made.

As a loan guarantor, TSAC pays claims to lenders for defaulted loans on behalf of the federal government. No state dollars are involved. The state-authorized spending level in 332.04 was increased to reflect increased activity and to allow for future growth.

In addition to the above, the legislature allocated additional funds for employee salaries and benefits beginning July 1, 2006.

2006 General Assembly Legislative Report

Tom Bain, Associate Executive Director for Compliance and Legal Affairs, gave the report of legislative activities of the 2006 General Assembly. He reported that most of the

bills that passed by the Assembly were related to the lottery scholarship program. One very significant bill (SB 2683) was an increase of the basic HOPE scholarship from \$3,300 to \$3,800 at eligible four-year institutions and from \$1,650 to \$1,900 for eligible two-year institutions, and an increase in the Wilder-Naifeh Technical Skills Grant from \$1,300 to \$1,500 at eligible technology centers. Notable minor changes include allowing certain students who were both Tennessee citizens and dependent children of religious workers working outside of the U.S. and certain students who graduate from accredited high schools in out-of-state counties contiguous to Tennessee to qualify for the HOPE scholarship. He expected these two changes to impact a small number of students. More notable was passage of the bill (SB 2724) that established the Tennessee HOPE Teacher's Scholarship as part of the lottery-funded scholarships. This is for teachers seeking certification or graduate education to teach math and science. In addition, students initially eligible to receive the HOPE scholarship but who chose to receive the Wilder-Naifeh grants may now be eligible for HOPE scholarships under certain circumstances, thanks to the passage of Senate Bill 2981. He also reiterated that the General Assembly's 2006 "Appropriations Bill" (SB 3914), which established the state budget for the fiscal year July 1, 2006 through June 30, 2007, includes an additional \$2.1 million appropriated to TSAC for funding student financial assistance programs. Mr. Bain also stated that HB 3097, which was supported by TSAC, has eliminated the statute prohibiting proration of Tennessee Student Assistance Awards. He also explained that SB 447 eliminates the current nursing loan-scholarship program and establishes a new loan-scholarship program for advanced nursing degree seeking students. Under the new law, TSAC may receive contributions for funding the program from outside sources.

He pointed out that as of the meeting date, only two bills had been signed by Governor Bredesen into law — the TSAA bill (HB 3097) and House Bill 2809, which allows students attending private, as well as public, postsecondary institutions to obtain Tennessee HOPE foster child tuition grants. He advised the board that the TSAC staff would implement the new laws as quickly as it can.

Dr. Ruble said TSAC staff is developing a schedule for implementation of new legislation, which includes a process by which TSAC will invite input from the educational and financial aid community.

Tennessee Education Lottery Scholarship Program Profiles

Dr. Richard Rhoda called on Robert Anderson, who recently joined THEC as Director of Research and Planning, to provide the Tennessee Education Lottery Scholarship Program report. Mr. Anderson pointed to the handouts he provided and said the 2005-06 data is still coming in and is being reconciled. He then directed board members to data highlights of his report, which include:

- First-time Freshmen Enrollment Increase – 6.9% (2,003 additional students over prior year).
- Slightly greater than 10% of lottery scholarship recipients are African American.
- For all lottery scholarship award recipients: 84.2% were White, 10.1% were African American. For 2004-05 undergraduate public enrollment, 19.0% were African American.

- Of the 3,075 African Americans eligible for HOPE, more than one-half of them are also eligible for the need-based supplement.
- Of those first-time freshmen that received a GAMS award (994 students), 92% (910 students) retained the award in fall 2005.
- Of the 5,356 first-time freshmen ASPIRE awardees, only 44% (2,378 students) also received awards the following fall.
- 52% of the students who received a HOPE scholarship retained the award.

Dr. Rhoda asked if there was anything unusual so far in the analysis of the data and Mr. Anderson replied that so far, nothing too unexpected.

New Business

None.

Old Business

None.

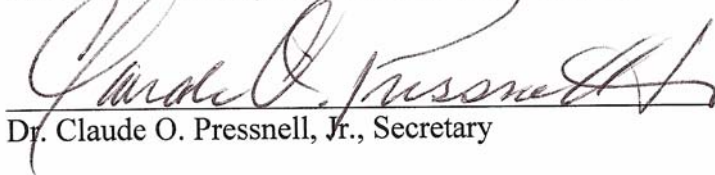
Closing Comments

Dr. Rhoda reminded everyone that the next meeting would be Thursday, Sept. 28, 2006 at 1:00 p.m.

Adjournment:

The meeting adjourned at approximately 3:30 p.m.

Minutes recorded by Jeri Fields of TSAC and approved by:



Dr. Claude O. Pressnell, Jr., Secretary

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

DECISION ITEM A: **Proposed Repeal of the Graduate Nursing Loan-Scholarship Program and Adoption of Rules for the Tennessee Graduate Nursing Loan Forgiveness Program**

- Staff Recommendation**
- (1) That the Tennessee Student Assistance Corporation repeals Rule 1640-1-3 (Graduate Nursing Loan-Scholarship Program).
 - (2) That the Tennessee Student Assistance Corporation adopts Rule 1640-1-3 as both public necessity rules and proposed rules (Tennessee Graduate Nursing Loan Forgiveness Program).
 - (3) That the Tennessee Student Assistance Corporation authorizes its Executive Director to make any necessary technical corrections to these rules including changes suggested by the Tennessee Attorney General.

Background

The Tennessee General Assembly adopted Public Chapter 882 of the 2006 Tennessee Public Acts which enacted a graduate nursing loan forgiveness program in Tennessee pursuant to Tenn. Code Ann. §49-4-702 (2006) in lieu of the graduate nursing loan-scholarship program that had previously been in effect.

The TSAC staff solicited input from various members of the higher education and financial aid community, including nursing professionals, while drafting proposed rules to implement P.C. 882. The rules will be implemented at the earliest possible time after they have been approved by the TSAC Board of Directors and the Tennessee Attorney General and have been filed with the Secretary of State.

Supporting Document *Draft Rules of the Tennessee Student Assistance Corporation, Chapter 1640-1-3, Tennessee Graduate Nursing Loan Forgiveness Program, August 12, 2006.*

DRAFT (8-12-06)
RULES
OF
TENNESSEE STUDENT ASSISTANCE CORPORATION

CHAPTER 1640-1-3
TENNESSEE GRADUATE NURSING LOAN FORGIVENESS PROGRAM

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1640-1-3-.01 INTRODUCTION.

- (1) These rules implement the Tennessee Graduate Nursing Loan Forgiveness Program authorized in T.C.A. Section 49-4-702 as amended by 2006 Public Acts, Chapter 882 (hereinafter called the Act). The Act makes provision for loans and loan forgiveness to certain candidates for master's and post-master's degrees in nursing education. Loan forgiveness requires employment as a teacher or administrator in a Tennessee nursing education program at an eligible postsecondary institution upon completion of the program of study.
- (2) While the Act refers to the program as a "loan-scholarship," the Corporation interprets the Act as establishing a loan forgiveness program because the Act requires the recipient to sign a promissory note that stipulates a repayment obligation. In order to avoid confusion, the working title of the program shall be the "Tennessee Graduate Nursing Loan Forgiveness Program."

Authority: T.C.A. § 49-4-702 (2006).

1640-1-3-.02 DEFINITIONS.

- (1) As used in these rules (Chapter 1640-1-3)
 - (a) "Corporation" means the Tennessee Student Assistance Corporation.
 - (b) "Cost of Attendance" means the combined cost of tuition, mandatory fees, room and board, books, and other educational expenses as determined by the financial aid office of the eligible postsecondary institution.
 - (c) "Eligible Postsecondary Institution" means (1) a Tennessee institution that is operated by the Tennessee Board of Regents of the state university and community college system, or (2) an institution in the University of Tennessee system, or (3) a Tennessee private postsecondary institution that is accredited by the Southern Association of Colleges and Schools (SACS), or (4) an out-of-state institution that is accredited by a regional accrediting association and which uses distance education to deliver instruction to a graduate nursing loan recipient residing in the state of Tennessee.
 - (d) "Eligible Academic Program" means a graduate program accredited by the National League for Nursing Accrediting Commission (NLNAC) and/or by the Commission on Collegiate Nursing Education (CCNE) and approved by the Tennessee Board of Nursing which leads to a master's or post-master's degree in a field of study which will qualify the graduate to become a teacher or administrator in a college or university nursing education program.

- (e) “Full-time enrollment” means a student enrolling in at least the minimum number of credit hours per term necessary to be considered a full-time student, as defined by the eligible postsecondary institution.
- (f) “Graduate Nursing Loan” means the loan-scholarship referenced in T.C.A. Section 49-4-702 in 2006 Tennessee Public Acts, Chapter 882.
- (g) “Grace period” means the three (3) month period of time which begins when the borrower either completes his/her eligible academic program or no longer meets graduate nursing loan eligibility requirements, and during which period of time interest does not accrue and repayment is not required.
- (h) “Loan forgiveness” means the partial or complete cancellation of a graduate nursing loan, as described elsewhere in these rules.
- (i) “Part-time enrollment” means a student enrolling in fewer credit hours per term than the number necessary to be considered a full-time student, as defined by the eligible postsecondary institution.
- (j) “Program Administrator” means the staff member of the Corporation who has been assigned administrative responsibility for the graduate nursing loan forgiveness program by the Corporation’s Executive Director.
- (k) “Regional Accrediting Association” means approved accrediting agencies as follows: the Middle States Association of Colleges and Schools, the New England Association of Schools and Colleges; the North Central Association of Colleges and Schools, the Northwestern Association of Schools and Colleges, the Southern Association of College and Schools, and the Western Association of Schools and Colleges.
- (l) “Satisfactory Academic Progress” means a standard of progress toward completion of the eligible academic program during which the student meets minimum academic requirements and progresses towards a degree as required by the nursing education program at the eligible postsecondary institution attended.
- (m) “Year of continuous full-time employment” means 9 to 12 months of continuous employment considered by the employer to be full-time.
- (n) “Year of continuous part-time employment” means 9 to 12 months of continuous employment considered by the employer to be at least half-time but less than full-time.
- (o) “Priority Date” means March 1 prior to the intended academic year of attendance, or such other date as the Corporation may require.

Authority: T.C.A. § 49-4-702 (2006).

1640-1-3-.03 ELIGIBILITY.

- (1) In order to receive a graduate nursing loan a student must:
 - (a) be a citizen of the United States; and
 - (b) be a resident of Tennessee, as defined by regulations promulgated by the Tennessee Board of Regents for the state university and community college system, under the authority of 49-8-104 where applicable; and
 - (c) hold an unencumbered Tennessee Registered Nurse License; and

- (d) be enrolled either part-time or full-time in an eligible academic program at an eligible postsecondary institution; and
 - (e) provide written evidence of the student's intention to become employed full-time or part-time in a Tennessee nursing education program in a teaching or administrative capacity; and
 - (f) maintain satisfactory academic progress; and
 - (g) not be in default on a federal Title IV educational loan or a Tennessee educational loan; and
 - (h) not owe a refund on a federal Title IV student financial aid program or a Tennessee student financial aid program; and
 - (i) sign a promissory note before receiving any funds.
- (2) Eligibility is limited to four (4) years of full-time enrollment, or the equivalent part-time enrollment, with one (1) year of full-time enrollment equaling two (2) years of part-time enrollment.
 - (3) In certain circumstances, a student may receive more than one graduate nursing loan. A borrower who received a (first) graduate nursing loan while earning a master's degree may apply for a (second) graduate nursing loan in a post-master's program. If the application for the second loan is successful, repayment of the first loan is deferred until the recipient enters repayment on the second loan, at which time repayment of both loans is expected. A borrower who is employed while receiving a second graduate nursing loan may apply that employment towards cancellation of the first graduate nursing loan provided that the cancellation requirements described elsewhere in these rules are met.
 - (5) Eligibility is subject to the availability of funds.

Authority: T.C.A. § 49-4-702 (2006).

1640-1-3-.04 AWARD AMOUNT.

- (1) The maximum amount of the graduate nursing loan shall be seven thousand dollars (\$7,000) per year during periods of full-time enrollment and three thousand five hundred dollars (\$3,500) per year during periods of part-time enrollment, or such other amounts as may be established by the Corporation, and shall in no case exceed the student's cost of attendance. Awards are divided equally in disbursements of two (2) semesters or (3) quarter payments.
- (2) The Corporation shall disburse the graduate nursing loan funds directly to eligible postsecondary institutions, which shall in turn credit the borrower's account or disburse funds to the eligible borrower with one (1) credit or payment at the beginning of each academic term attended.

Authority: T.C.A. § 49-4-702 (2006).

1640-1-3-.05 APPLICATION PROCESS.

- (1) The student must apply to the Corporation for the graduate nursing loan by the established priority application date as required by the Corporation.
- (2) First priority shall be given to renewal applications received by the priority application date.
- (3) Second priority shall be given to applicants who provide evidence satisfactory to the Corporation that they expect to enter a full-time teaching position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.

- (4) Third priority shall be given to applicants who provide evidence satisfactory to the Corporation that they expect to enter a part-time teaching position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.
- (5) Fourth priority will be given to applicants who provide evidence satisfactory to the Corporation that they expect to enter a full-time administrative position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.
- (6) Fifth priority will be given to applicants who provide evidence satisfactory to the Corporation that they expect to enter a part-time administrative position in a Tennessee nursing education program immediately upon completion of their master's or post-master's degree program and who apply by the priority application date.
- (7) Sixth priority shall be given to applications received after the priority application date. Applications will be awarded based on the date of receipt.
- (8) Applicants shall be grouped according to the priority assigned to their application. Should available funds be exhausted before all eligible applicants have received an award, applicants in the lowest priority grouping for which funds are available shall be distinguished by the date of receipt of their application by the Corporation and awards shall be made to those applicants with the earliest dates of receipt until all available funds are expended.

Authority: *T.C.A. § 49-4-702 (2006).*

1640-1-3-.06 INTEREST.

- (1) Interest shall accrue at the rate of nine percent (9%) per year or such other rate as shall be established by the Corporation, starting at the end of the grace period. All interest shall be based upon the unpaid balance of the loan. The accrued interest may be capitalized.

Authority: *T.C.A. § 49-4-702 (2006).*

1640-1-3-.07 REPAYMENT.

- (1) The graduate nursing loan must be repaid unless cancelled as described elsewhere in these rules. Repayment will include the full amount of the graduate nursing loan received plus interest.
- (2) Repayment shall begin at the end of the grace period, and shall be in monthly installments over a period of no more than eight (8) years, provided that payments must be a minimum of one hundred dollars (\$100) per month.
- (3) The graduate nursing loan may be prepaid in whole or part at any time without penalty.
- (4) If the borrower of a graduate nursing loan is determined to have received the award based on inaccurate application information, the full amount of the loan and accrued interest shall become due immediately.
- (5) If the borrower fails to complete an enrollment period for any reason, the postsecondary institution must determine if any of the graduate nursing loan should be returned to the Corporation. The postsecondary institution should use its own institutional refund policy to calculate the refund amount. If the student withdraws after the refund period is over, the postsecondary institution must follow the Return of Title IV guidelines, if applicable, to calculate any return of the graduate nursing loan.

- (6) If a borrower issues a check, draft, warrant, or electronic funds transfer, which is subsequently returned to the Corporation due to insufficient funds, a stop payment order by the issuer, or any other reason, the payment to which these funds was applied shall be reversed on the borrower's account and interest shall continue to accrue from the date of the last valid payment. Additionally, the Corporation may charge a reasonable service fee for such a transaction.

Authority: T.C.A. § 49-4-702 (2006).

1640-1-3-.08 DEFERMENT.

- (1) Repayment shall be deferred, but interest shall continue to accrue, while the borrower is employed in a Tennessee nursing education program in a teaching or administrative capacity.
- (2) Repayment shall be deferred, but interest shall continue to accrue, while the student is seeking the post-master's degree after first receiving the loan to obtain their master's degree.
- (3) In order for repayment to be deferred, borrowers shall provide employment verification as required by the Corporation.

Authority: T.C.A. § 49-4-702 (2006).

1640-1-3-.09 CANCELLATION/FORGIVENESS.

- (1) For each year of continuous full-time employment in a Tennessee nursing education program in a teaching or administrative capacity, the borrower shall receive a credit of twenty-five percent (25%) of the amount borrowed, plus accrued interest on that portion of the debt cancelled. Cancellation credit will be applied at the end of each year and upon receipt of verification of such service.
- (2) For each year of continuous part-time employment in a Tennessee nursing education program in a teaching or administrative capacity, the borrower shall receive a credit of twelve and one-half percent (12.5%) of the amount borrowed, plus accrued interest on that portion of the debt cancelled.
- (3) In order to receive cancellation credit, the borrower shall provide employment verification as required by the Corporation.
- (4) Cancellation credit shall not begin until the borrower completes the program of study for which the graduate nursing loan was provided.
- (5) The debt shall be cancelled on the basis of conclusive evidence that the borrower has died or has been totally and permanently disabled and cannot perform the teaching obligation outlined in the regulations. The borrower is not considered totally and permanently disabled on the basis of a condition that existed prior to the loan application. If, at any time subsequent to an initial determination of disability, the borrower's condition improves to the point where a total and permanent disability no longer exists, the Corporation may reinstate any outstanding debt previously cancelled.

Authority: T.C.A. § 49-4-702 (2006).

1640-1-3-.10 LEAVE OF ABSENCE.

- (1) Unless a leave of absence is granted, terms of enrollment must be continuous (other than the summer term), and a period of non-attendance (other than the summer term) will cause a recipient to enter repayment with no opportunity to regain eligibility.

A student may be granted medical or personal leave of absence from attendance at an eligible postsecondary institution and resume receiving the nursing loan upon resumption of the student's attendance at an eligible postsecondary institution so long as all other applicable eligibility criteria are

met. An eligible postsecondary institution may grant leaves of absence only for medical or personal reasons. Allowable medical or personal reasons shall include, but not be limited to: illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, a military obligation of the student or family member, to fulfill a religious commitment expected of all individuals of that faith, or other extraordinary circumstances beyond the student's control where continued attendance by the student creates a substantial hardship. In the event an institution denies a student's request for a medical or personal leave of absence, the student may seek relief from the decision in accordance with Rule 1640-1-3-.11.

:

Authority: *T.C.A. § 49-4-702 (2006).*

1640-1-3-.11 APPEALS PROCEDURE.

- (1) Generally, the ruling of the Corporation's program administrator shall apply.
- (2) An individual who believes that the ruling of the program administrator was not in accordance with the published regulations and the Act may appeal to the authority of the Corporation's Appeals Panel for relief.
- (3) An individual who believes that the ruling of the Corporation's Appeal Panel was not in accordance with the published regulations and the Act may appeal to the authority of the Corporation's Board of Directors Appeal Committee. This is the final administrative appeal.

Authority: *T.C.A. § 49-4-204 and 49-4-702 (2006).*

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

DECISION ITEM B: **Proposed Rules for the Tennessee Math and Science Teacher Loan Forgiveness Program**

- Staff Recommendation**
- (1) That the Tennessee Student Assistance Corporation adopts Rule 1640-1-20 as both public necessity rules and proposed rules (Tennessee Math and Science Teacher Loan Forgiveness Program).
 - (2) That the Tennessee Student Assistance Corporation authorizes its Executive Director to make any necessary technical corrections to these rules including changes suggested by the Tennessee Attorney General.

Background

The Tennessee General Assembly adopted Public Chapter 977 of the 2006 Tennessee Public Acts which enacted a math and science teacher loan forgiveness program in Tennessee.

The TSAC staff solicited input from various members of the higher education and financial aid community while drafting proposed rules to implement P.C. 977. The TSAC staff solicited input from various members of the higher education and financial aid community, including nursing professionals, while drafting proposed rules to implement P.C. 882. The rules will be implemented at the earliest possible time after they have been approved by the TSAC Board of Directors and the Tennessee Attorney General and have been filed with the Secretary of State.

Supporting Document

Draft Rules of the Tennessee Student Assistance Corporation, Chapter 1640-1-20, Tennessee Math and Science Teacher Loan Forgiveness Program, August 12, 2006.

DRAFT (8-12-06)
RULES
OF
TENNESSEE STUDENT ASSISTANCE CORPORATION

CHAPTER 1640-1-20
TENNESSEE MATH & SCIENCE TEACHER LOAN FORGIVENESS PROGRAM

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1640-1-20-.01 INTRODUCTION.

- (1) These rules implement the Tennessee Math & Science Teacher Loan Forgiveness Program authorized in T.C.A., Title 49, Chapter 4, Part 9 as amended by 2006 Tennessee Public Acts, Chapter 977 (hereinafter called the Act). The Act makes provision for loans and loan forgiveness to Tennessee tenured public school teachers seeking an advanced degree in math or science, or a certification to teach math or science. Loan forgiveness requires employment in a Tennessee public school system upon completion of the program.
- (2) While the Act refers to the program as the “HOPE teacher’s scholarship,” the Corporation interprets the Act as establishing a loan forgiveness program because the Act requires the recipient to sign a promissory note that stipulates a repayment obligation under certain circumstances. In order to avoid confusion, the working title of the program shall be the “Tennessee Math & Science Teacher Loan Forgiveness Program.”

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

1640-1-20-.02 DEFINITIONS.

- (1) As used in these rules (Chapter 1640-1-20)
 - (a) “Advanced Degree” means a master’s degree, a doctorate, or other degree conferred by an eligible postsecondary institution upon completion of a unified program of study at the graduate level.
 - (b) “Corporation” means the Tennessee Student Assistance Corporation.
 - (c) “Eligible Postsecondary Institution” means an eligible independent postsecondary institution or an eligible public postsecondary institution.
 - (d) “Eligible Independent Postsecondary Institution” means:
 1. An institution created by testamentary trust for which the state acts by statute as trustee and for which the Governor is authorized to appoint commissioners with the advice and consent of the senate and that offers courses leading to undergraduate degrees; or
 2. A Southern Association of Colleges and Schools accredited private postsecondary institution that is located in Tennessee; or

3. A private, four-year postsecondary institution that:
 - a. Has been chartered in Tennessee as a not-for-profit entity for at least thirty (30) consecutive years;
 - b. Has had its primary campus domiciled in Tennessee for at least thirty (30) consecutive years;
 - c. Is accredited by an accrediting agency that is recognized by the United States Department of Education and the Council on Higher Education Accreditation;
 - d. Awards baccalaureate degrees; and
 - e. As of May 1, 2005, has an articulation agreement with an institution of the state university and community college system or the University of Tennessee system.

- (e) “Eligible Public Postsecondary Institution” means:
 1. An institution operated by the Tennessee Board of Regents of the state university and community college system; or
 2. An institution in the University of Tennessee system.

- (f) “Grace Period” means the three (3) month period of time which begins when the borrower either completes the eligible academic program or no longer meets the Math & Science Teacher Loan Forgiveness Program eligibility requirements, and during which period of time repayment is not required.

- (g) “Loan forgiveness” means the partial or complete cancellation of a Math & Science Teacher Loan, as described elsewhere in these rules.

- (h) “Math & Science Teacher Loan” means the scholarship referenced in T.C.A., Title 49, chapter 4, Part 9 in 2006 Public Acts, Chapter 977, § 1 at (a)(6).

- (i) “Program Administrator” means the staff member of the Corporation who has been assigned administrative responsibility for the Math & Science Teacher Loan Forgiveness Program by the Corporation’s Executive Director.

- (j) “Satisfactory Academic Progress” means a standard of progress toward completion of the eligible academic program during which the student meets minimum academic requirements and progresses towards an advanced degree or teacher certification as required by the eligible postsecondary institution.

- (k) “Science” means the study of biology, botany, chemistry, physics, zoology, geology, and other natural and physical sciences.

- (l) “Teacher certification” means a certificate to indicate the holder’s qualifications to teach math or science in a public school system.

- (m) “Year of continuous full-time employment” means 9 to 12 months of continuous full-time employment.

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

1640-1-20-.03 ELIGIBILITY.

- (1) In order to receive a Math & Science Teacher Loan, a student must:
 - (a) Be a citizen of the United States; and

- (b) Be a resident of Tennessee, as defined by regulations promulgated by the Tennessee Board of Regents for the state university and community college system, under the authority of § 49-8-104 where applicable for one (1) year immediately preceding the date of application; and
 - (c) Be a tenured teacher teaching in a Tennessee public school system; and
 - (d) Comply with the United States selective service system requirement for registration, as such requirements are applicable to the student; and
 - (e) Not be in default on a federal Title IV educational loan or Tennessee educational loan; and
 - (f) Be in compliance with federal drug-free rules and laws for receiving financial assistance, and
 - (g) Not be incarcerated; and
 - (h) Be admitted to an attend an eligible postsecondary institution seeking an advanced degree in math or a science or certification to teach math or a science; and
 - (i) Agree to teach math or a science in a Tennessee public school system two (2) academic years for each year funded provided by this program and sign a promissory note that stipulates the cash repayment obligation incurred if the teaching service is not fulfilled; and
 - (j) Maintain satisfactory academic progress in the teacher's program of study with no minimum number of hours required per semester; and
 - (k) Complete the program of study within five (5) years beginning with the first term for which the loan was funded; and
 - (l) Not allow a break in enrollment at an eligible postsecondary institution of more than twelve (12) months. If the break in enrollment exceeds twelve (12) months, the student enters the grace period followed by repayment, unless the student has received an approved leave of absence.
- (2) Funding received from the Math & Science Teacher Loan Forgiveness Program shall not be used in pursuit of courses taken for re-certification in an area for which certification was previously obtained.
 - (3) A borrower who completes the program of study for which a Math & Science Teacher Loan was provided and who subsequently satisfies the terms of the loan in full, either through repayment or cancellation, is not prevented from participating in the Math & Science Teacher Loan Forgiveness Program again, in order to gain certification or an advanced degree in a different area of math or science.

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

1640-1-20-.04 AWARD AMOUNT.

- (1) Subject to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a Math & Science Teacher Loan to a Tennessee public school teacher shall be two thousand dollars (\$2,000) per academic year, regardless of the number of terms enrolled within that academic year. The total amount of a Math & Science Teacher Loan Forgiveness award to a Tennessee public school teacher shall not exceed ten thousand dollars (\$10,000) for all years required for the teacher's program of study.
- (2) The Corporation shall disburse the Math & Science Teacher Loan Forgiveness funds directly to eligible postsecondary institutions, which shall in turn credit the student's account or disburse funds to the student with one credit or payment at the beginning of each academic term attended.

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

1640-1-20-.05 APPLICATION PROCESS.

- (1) Tennessee tenured public school teachers shall submit to the Corporation an application and Promissory Note for a Math & Science Teacher Loan Forgiveness Program for each academic year of postsecondary enrollment.
- (2) The application deadline is September 1 for students beginning the academic year in the fall, February 1 for students who begin the academic year in the spring, and May 1 for students who begin the academic year in the summer.

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

1640-1-20-.06 INTEREST.

Interest shall not be charged for a Math & Science Teacher Loan.

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

1640-1-20-.07 REPAYMENT.

- (1) The Math & Science Teacher Loan must be repaid unless cancelled as described elsewhere in these rules. Repayment will include the full amount of the loan received.
- (2) Repayment shall begin at the end of the grace period, and shall be in monthly installments over a period of no more than eight (8) years, provided that payments must be a minimum of one hundred dollars (\$100) per month.
- (3) The Math & Science Teacher Loan Forgiveness loan may be prepaid in whole or part at any time without penalty.
- (4) If a borrower of a Math or Science Teacher Loan is determined to have received the award based on inaccurate application information, the full amount of the loan becomes due immediately.
- (5) If the borrower fails to complete an enrollment period for any reason, the eligible postsecondary institution shall apply its refund policy to determine whether a refund may be required and/or funds returned to the Corporation. If the borrower withdraws after the refund period is over, the postsecondary institution must follow the Return of Title IV guidelines, if applicable, to calculate any return of the Math & Science Teacher Loan.
- (6) If a borrower issues a check, draft, warrant, or electronic funds transfer, which is subsequently returned to the Corporation due to insufficient funds, a stop payment order by the issuer, or any other reason, the payment to which these funds was applied shall be reversed on the borrower's account. Additionally, the Corporation may charge a reasonable service fee for such a transaction.

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

1640-1-20-.08 DEFERMENT.

- (1) Repayment shall be deferred while the borrower is employed as a math or science teacher in a Tennessee public school system.
- (2) In order for repayment to be deferred, borrowers shall provide employment verification as a math or science public school teacher required by the Corporation.

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

1640-1-20-.09 CANCELLATION/FORGIVENESS.

- (1) For each year of continuous full-time employment as a math or a science teacher in a Tennessee Public School System, the borrower shall receive a credit of fifty percent (50%) of one year's loan amount. Cancellation credit will be applied at the end of each year and upon receipt of verification of such service.
- (2) In order to receive cancellation credit, borrowers shall provide employment verification as required by the Corporation.
- (3) Cancellation shall not begin until the borrower completes the program of study for which the loan was provided.
- (4) The debt shall be cancelled on the basis of conclusive evidence that the borrower has died or has been totally and permanently disabled and cannot perform the teaching obligation outlined in the regulations. The borrower is not considered totally and permanently disabled on the basis of a condition that existed prior to the loan application. If at any time subsequent to an initial determination of disability, the borrower's condition improves to the point where a total or permanent disability no longer exists, the Corporation may reinstate any outstanding debt previously cancelled.

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

1640-1-20-.10 LEAVE OF ABSENCE.

- (1) A student may be granted medical or personal leaves of absence from attendance at an eligible postsecondary institution and resume receiving the Math & Science Teacher Loan upon resumption of the student's attendance at an eligible postsecondary institution so long as all other applicable eligibility criteria are met. An eligible postsecondary institution may grant leaves of absence only for medical or personal reasons. Allowable medical or personal reasons shall include, but not be limited to: illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, a military obligation of the student or family member, to fulfill a religious commitment expected of all individuals of that faith, or other extraordinary circumstances beyond the student's control where continued attendance by the student creates a substantial hardship. In the event an institution denies a student's request for a medical or personal leave of absence, the student may seek relief from the decision in accordance with Rule 1640-1-20-.11.

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

1640-1-20-.11 APPEALS PROCEDURE.

- (1) Generally, the ruling of the Corporation's program administrator shall apply.
- (2) An individual who believes that the ruling of the program administrator was not in accordance with the published regulations and the Act may appeal to the authority of the Corporation's Appeals Panel for relief.
- (3) An individual who believe that the ruling of the Corporation's Appeals Panel was not in accordance with the published regulation and the Act may appeal to the authority of the Corporation's Board of Director's Appeal Committee. This is the final administrative remedy.

Authority: 2006 Tenn. Pub. Acts, ch. 977, and Tenn. Code Ann. §§ 49-4-201 and 49-4-924.

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

DECISION ITEM C: Proposed Rule Changes to the Tennessee Education Lottery Scholarship Program

Staff Recommendation

- (1) That the Tennessee Student Assistance Corporation adopts Rule 1640-1-19 as both public necessity rules and proposed rules (Tennessee Education Lottery Scholarship Program).
- (2) That the Tennessee Student Assistance Corporation authorizes its Executive Director to make any necessary technical corrections to these rules including changes suggested by the Tennessee Attorney General.

Background

The Tennessee Student Assistance Corporation must update its Tennessee Education Lottery Scholarship Program rules to address legislative changes made by the Tennessee General Assembly during 2006 and as a matter of administrative housekeeping to address technical issues that have arisen during the past year which require explanation in the rules.

The rules changes required by statute address the following matters:

- (1) Students attending private postsecondary institutions may now be eligible to receive Tennessee HOPE foster child tuition grants. (*Public Acts, Chapter 869*)
- (2) HOPE scholarship award amounts are raised from \$3,300 to \$3,800 at eligible 4-year institutions and from \$1,650 to \$1,900 at eligible 2-year institutions. Wilder-Naifeh technical skills grant award amounts are raised from \$1,300 to \$1,500 at eligible technology centers. (*Public Acts, Chapter 974*)
- (3) Certain students who are dependent children of religious workers serving outside the United States and certain students graduating from accredited high schools in an out-of-state county contiguous to Tennessee may be eligible for a Tennessee HOPE scholarship. (*Public Acts, Chapter 974*)
- (4) Certain students who are initially eligible for a Tennessee HOPE scholarship but who instead obtain a Wilder-Naifeh

technical skills grant, may later be eligible for a HOPE scholarship at either an eligible 2-year or 4-year institution. (*Public Acts, Chapter 980*)

Miscellaneous administrative housekeeping changes have been made, the most significant of which include:

- (1) Updating the rules to provide for reference to weighted grade point averages where applicable;
- (2) Revision of certain HOPE scholarship eligibility provisions (see Rule 1640-1-19-.05) to facilitate administration; and
- (3) Technical changes to the appeal and exception process (see rule 1640-1-19-.26)

Changes have been highlighted in red to facilitate review by the Board. The rules will be implemented at the earliest possible time after they have been approved by the TSAC Board of Directors and the Tennessee Attorney General and have been filed with the Secretary of State.

Supporting Document

Draft Rules of the Tennessee Student Assistance Corporation, Chapter 1640-1-19, Tennessee Education Lottery Scholarship Program, September 12, 2006.

DRAFT (9-12-2006)

RULES OF TENNESSEE STUDENT ASSISTANCE CORPORATION

CHAPTER 1640-1-19 TENNESSEE EDUCATION LOTTERY SCHOLARSHIP PROGRAM

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1640-1-19-.01 DEFINITIONS.

- (1) Academic Year: Three consecutive semesters that begins with the fall semester and ends with the summer semester.
- (2) ACT: The ACT Assessment administered by ACT, Inc., exclusive of the essay and optional subject area battery tests.
- (3) Adjusted Gross Income Attributable to the Student or Student's Adjusted Gross Income:
 - (a) The adjusted gross income of the student's parent or parents as reported on the student's Free Application for Federal Student Aid (FAFSA) and used by the Corporation in determinations of eligibility for federal or state financial aid, if the student is a dependent of a parent or parents as defined by FAFSA; or
 - (b) The adjusted gross income of the student and, if applicable, the student's spouse as reported on the student's FAFSA and used by the Corporation in determinations of eligibility for federal or state financial aid, if the student is independent of parents as defined by FAFSA.
- (4) Alternative Study Program: Program of study including, but not limited to student exchange programs, practicum, co-op programs and internships that includes travel outside the State of Tennessee that is sponsored or offered by:
 - (a) an eligible postsecondary institution; or
 - (b) an eligible postsecondary institution in conjunction with either another eligible postsecondary institution or a postsecondary institution that is accredited by a regional accrediting association.

(Rule 1640-1-19-.01, continued)

- (5) **ASPIRE Award:** An award to a student for study in pursuit of an associate or baccalaureate degree at an eligible postsecondary institution who qualifies for a Tennessee HOPE Scholarship and whose adjusted gross income attributable to the student does not exceed thirty-six thousand dollars (\$36,000).
- (6) **Award Year:** Three consecutive semesters that begins with the fall semester and ends with the summer semester.
- (7) **Board of Regents:** The Board of Regents of the State University and Community College System of Tennessee.
- (8) **Certificate or Diploma:** A credential, other than a degree, the receipt of which indicates satisfactory completion of training in a program of study offered by a Tennessee Technology Center operated by the Board of Regents.
- (9) **Continuing Education:** Courses and programs that do not lead to a certificate, diploma or degree that are designed for personal development and are an extension of the traditional on-campus learning process.
- (10) **Continuous Enrollment:** A student is enrolled in the fall and spring semesters of a single academic year. Enrollment in summer semester or inter-session terms is not required.
- (11) **Corporation:** Tennessee Student Assistance Corporation.
- (12) **Cost of Attendance:** The expenses, both direct and indirect, incurred by a student and the student's family to finance the cost of receiving a postsecondary education as determined in accordance with the standards and practices used for Title IV programs by the institution at which the student is enrolled.
- (13) **Credit Hours Attempted:** The number of semester hours for which a degree-seeking or diploma/certificate-seeking student attending a postsecondary institution is enrolled as of the institutionally defined census date shall be considered credit hours attempted, regardless of whether a grade has been assigned. This standard shall apply to any change to a non-credit status, notwithstanding anything in Rule 1640-1-19-.22.
- (14) **Degree:** A two-year associate degree or four-year bachelor's degree conferred on students by a postsecondary educational institution upon completion of a unified program of study at the undergraduate level.
- (15) **Distance Learning:** An educational process that is characterized by the separation, in time or place, between instructor and student. It may include credit hours offered principally through the use of television, audio, or computer transmission, such as open broadcast, closed circuit, cable, or satellite transmission; audio or computer conferencing; video cassettes or discs, or correspondence.
- (16) **Dual Enrollment:** An arrangement between a high school and a postsecondary institution wherein a high school student enrolls in postsecondary classes and earns units of credit that count toward high school graduation requirements and hours or units of postsecondary credit.
- (17) **Eligible High School:**
 - (a) Tennessee public secondary school; or
 - (b) Any private secondary school that is located in Tennessee and:

(Rule 1640-1-19-.01, continued)

1. is approved by the State Board of Education as a category 1, 2, or 3 secondary school; or
 2. is a candidate for full accreditation status by an accrediting agency approved by the State Board of Education by June 8, 2004 for the purpose of application for Tennessee Hope Scholarships for the 2004-05 academic year by students who graduated after January 1, 2003 and prior to December 1, 2004.
- (c) A secondary school operated by the United State Department of Defense on a military base that is located in whole or in part in Tennessee;
- (d) An out-of-state public secondary school located in a county bordering Tennessee that Tennessee residents are authorized to attend under T.C.A. § 49-6-3108, ~~or~~ **anything in rule 1640-1-19-.05(11) to the contrary notwithstanding; or**
- (e) An out-of-state boarding school accredited by a regional accrediting association that is attended by a bona fide Tennessee resident.
- (18) Eligible Postsecondary Institution: An eligible independent postsecondary institution or an eligible public postsecondary institution.
- (19) Eligible Independent Postsecondary Institution:
- (a) An institution created by testamentary trust for which the state acts by statute as trustee and for which the governor is authorized to appoint commissioners with the advice and consent of the senate and that offers courses leading to undergraduate degrees; or
 - (b) A Southern Association of Colleges and Schools accredited private postsecondary institution whose main campus is located in Tennessee; or
 - (c) A private, four-year postsecondary institution that:
 1. Has been chartered in Tennessee as a not-for-profit entity for at least thirty (30) consecutive years;
 2. Has had its primary campus domiciled in Tennessee for at least thirty (30) consecutive years;
 3. Is accredited by an accrediting agency that is recognized by the United States Department of Education and the Council on Higher Education Accreditation;
 4. Awards associate or baccalaureate degrees; and
 5. As of May 1, 2005, has an articulation agreement with an institution of the state university and community college system or the University of Tennessee system.
- (20) Eligible Public Postsecondary Institution:
- (a) An institution operated by the Board of Regents; or
 - (b) An institution in the University of Tennessee system.

(Rule 1640-1-19-.01, continued)

- (21) **Entering Freshman:** A student entering a postsecondary institution who has not attempted any semester hours at any postsecondary institution after graduating from high school, completing high school in a home school program, or obtaining a GED.
- (22) **FAFSA:** Free Application for Federal Student Aid or the Renewal FAFSA as authorized by the U. S. Department of Education to indicate eligibility for federal and state financial aid programs.
- (23) **Foster Child:** A child who was in the custody of the Tennessee Department of Children's Services:
 - (a) For at least one (1) year after reaching fourteen (14) years of age;
 - (b) For at least one (1) year after reaching fourteen (14) years of age and placed for adoption by the Department of Children's Services or one of its adoption contract agencies and the adoption was finalized; or
 - (c) For at least one (1) year and placed in permanent guardianship by the Department of Children's Services after reaching fourteen (14) years of age.
- (24) **Full-Time Student:** A student attending a postsecondary educational institution and enrolled for at least twelve (12) semester hours during a semester of attendance.
- (25) **General Assembly Merit Scholarship:** An award to a student for study in pursuit of an associate or baccalaureate degree at an eligible postsecondary institution awarded for academic excellence to supplement the Tennessee HOPE Scholarship.
- (26) **GED:** A general educational development credential awarded by a state-approved institution or organization.
- (27) **Grade Point Average:** The numbered grade average calculated using a 4.0 scale, calculated to the hundredth decimal.
- (28) **Home School Student:** A student who completed high school in a Tennessee home school program meeting the requirements of §49-6-3050. For two (2) years immediately preceding completion of high school as a home school student, such student shall have been a student in a home school associated with a church-related school as defined by §49-50-801 and registered with the Tennessee local school district which the student would otherwise attend as required by §49-6-3050(a)(2)(C)(i) or an independent home school student whose parent or guardian has given notice to the local director of a Tennessee school district under § 49-6-3050(b)(1) of intent to conduct a home school.
- (29) **Home Institution:** The eligible postsecondary institution in which the student is enrolled and is in a matriculating status working toward a degree, diploma, or certificate.
- (30) **Host Institution:** The eligible postsecondary institution the student is temporarily attending as a transient student.
- (31) **Immediate Family Member:** Spouse, parents, children or siblings.
- (32) **Incarcerated:** Currently confined to a local, state, or federal correctional institution, as well as work release or educational release facilities.
- (33) **Joint Enrollment:** An arrangement between a high school and a postsecondary institution wherein a student enrolls in postsecondary classes while attending high school, but for which the student will receive credit from only one of the two institutions.

(Rule 1640-1-19-.01, continued)

- (34) Junior: A student who has attempted at least forty-eight (48) semester hours, but less than seventy-two (72) semester hours.
- (35) Matriculated Status: The student is a recognized candidate for an appropriate degree, diploma, or certificate at an eligible postsecondary educational institution.
- (36) Non-Traditional student: A student who is at least twenty-five (25) years of age as of the first day of class upon enrolling in an eligible postsecondary institution as an entering freshman.
- (37) Parent: A parent or guardian.
- (38) Part-time Student: A student attending a postsecondary educational institution and enrolled for at least six (6) semester hours, but less than twelve (12) semester hours, during a semester of attendance.
- (39) Regional Accrediting Association: Approved accrediting agencies are as follows:
 - (a) The Southern Association of Colleges and Schools;
 - (b) The New England Association of Schools and Colleges;
 - (c) The Middle States Association of Colleges and Schools;
 - (d) The North Central Association of Colleges and Schools;
 - (e) The Northwestern Association of Schools and Colleges; and
 - (f) The Western Association of Schools and Colleges.
- (40) SAT: The SAT I administered by the College Board., exclusive of the essay and optional subject area battery tests.
- (41) Satisfactory Academic Progress: Progress in a course of study in accordance with the standards and practices used for Title IV programs by the postsecondary institution at which the student is currently enrolled.
- (42) Semester: Fall, spring, or summer semester at a postsecondary institution, if the institution is on a semester system, or the equivalent, if the institution is on a system other than a semester system.
- (43) Semester Hour: The credit hour used by a postsecondary institution, if the institution is on a semester system, or its equivalent, if the institution is on a system other than a semester system. Semester hour includes each semester hour attempted, whether remedial, developmental or for credit toward a degree, but shall not include any semester hour attempted before graduating from high school or earning a GED.
- (44) Study Abroad Program: Programs of study for which college credit is earned that include travel outside the United States.
- (45) TELS (Tennessee Education Lottery Scholarship) Award: Any scholarship and/or grant provided for by these rules that a student is eligible to receive, excluding the Tennessee Dual Enrollment Grant.

(Rule 1640-1-19-.01, continued)

- (46) Tennessee Dual Enrollment Grant: A grant for study at an eligible postsecondary institution that is funded from net proceeds of the state lottery and awarded to students who are attending high school and who are also enrolled in courses at eligible postsecondary institutions that count toward high school graduation requirements and hours or units of postsecondary credit.
- (47) Tennessee HOPE Access Grant: A grant to freshman students for study in pursuit of an associate or baccalaureate degree at an eligible postsecondary institution that is one-half the amount of a Tennessee HOPE Scholarship and the need based supplemental award, which is funded from net proceeds of the state lottery.
- (48) Tennessee HOPE Foster Child Tuition Grant: A grant in addition to the Tennessee HOPE Scholarship to a foster child to only be used towards the costs of tuition, maintenance fees, student activity fees and required registration or matriculation fees at the eligible ~~public~~ postsecondary institution the student attends.
- (49) Tennessee HOPE Scholarship: A scholarship for study in pursuit of an associate or baccalaureate degree at an eligible postsecondary institution that is funded from net proceeds of the state lottery.
- (50) Test Date: Date designated by the ACT, Inc., or the College Board for administration of the ACT or SAT at national test centers designated by the respective testing entities. This shall also include the administration of either test on other dates as approved by the respective testing entities to accommodate an individual student's documented disability or other hardship.
- (51) Title IV: Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C.A. § 1070, et seq.
- (52) Transient Student: A visiting student enrolled in another institution who is granted temporary admission for the purpose of completing work to transfer back to the home institution and who expects to return to the institution in which he or she was previously enrolled.
- (53) Undergraduate Student: A student attending an eligible postsecondary institution and enrolled in a program leading to a diploma/certificate, an associate degree, or a bachelor's degree.
- (54) Unweighted Grade Point Average: Grade point average on a 4.0 scale calculated without additional points awarded for advanced placement, honors, or other similar courses.
- (55) Weighted Grade Point Average: Grade point average on a 4.0 scale calculated with additional quality points added to the unweighted grade point average for advanced placement, honors, and dual enrollment courses as those courses are defined by the high school ~~and other similar courses.~~ ~~The corporation shall calculate the weighted grade point average~~ ~~For some non-public schools which have not adopted the statewide grading policy standard, the weighted grade point average shall be calculated~~ by adding 0.5 quality point to the grade of any honors or dual-enrollment course and by adding 1.0 quality point to the grade of any advanced placement, international baccalaureate or advance honors course ~~and other similar courses.~~
- (56) Wilder-Naifeh Technical Skills Grant: A grant for study in pursuit of a certificate or diploma at a Tennessee Technology Center operated by the Tennessee Board of Regents that is funded from net proceeds of the state lottery.

Authority: T.C.A. §§49-4-902, 49-4-924, and Public Chapter 481, Acts of 2005. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Amendments filed October 21, 2004; effective February 28, 2005. Amendment filed January 25, 2005; effective May 31, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-

(Rule 1640-1-19-.01, continued)

1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.02 SCHOLARSHIP AWARD AMOUNTS AND CLASSIFICATIONS.

- (1) The Tennessee Education Lottery Scholarship program is intended to provide financial awards to offset costs associated with pursuing postsecondary education.
- (2) Award levels for a full-time student in the ~~2005-2006~~ 2006-2007 academic year are as follows:
 - (a) Tennessee HOPE Scholarship:
 1. One thousand ~~six hundred fifty~~ **nine hundred** dollars (~~\$1,650~~**1,900**) per semester, maximum three thousand ~~three~~ **eight** hundred dollars (~~\$3,300~~**3,800**) at four year institutions; and
 2. ~~Eight hundred twenty-five~~ **Nine-hundred fifty** dollars (~~\$825~~**950**) per semester, maximum one thousand ~~six hundred fifty~~ **nine hundred** dollars (~~\$1,650~~**1,900**) at two year institutions.
 - (b) Tennessee ASPIRE Award:
 1. Seven hundred fifty dollars (\$750) supplement to base award per semester, maximum one thousand five hundred dollars (\$1,500).
 - (c) General Assembly Merit Scholarship:
 1. Five hundred dollars (\$500) supplement to base award per semester, maximum one thousand dollars (\$1,000).
 - (d) Tennessee HOPE Access Grant (one half each of the Tennessee HOPE Scholarship and ASPIRE award):
 1. One thousand ~~two hundred~~ **three hundred twenty-five** dollars (~~\$1,200~~**1,325**) per semester, maximum two thousand ~~four hundred~~ **six hundred fifty** dollars (~~\$2,400~~**2,650**) at four year institutions; and
 2. ~~Seven hundred eighty-eight~~ **Eight hundred fifty** dollars (~~\$788~~**850**) per semester, maximum ~~one~~ **two** thousand ~~five hundred seventy-five~~ **six hundred fifty** dollars (~~\$1,575~~**2,650**) at two year institutions.
 - (e) Wilder-Naifeh Technical Skills Grant:
 1. One thousand ~~three~~ **five** hundred dollars (~~\$1,300~~**1,500**) maximum at Tennessee Technology Centers.
 - (f) Tennessee Dual Enrollment Grant:
 1. One hundred dollars (\$100) per semester hour (or equivalent contact hours at technology centers) for a maximum award of three hundred dollars (\$300) per semester and six hundred dollars \$600 per academic year.
- (3) Award amounts for subsequent years shall be determined in accordance with **T.C.A.** §4-51-111 and shall be set in the general appropriations act.

(Rule 1640-1-19-.02, continued)

- (4) Recipients of any TELS award as provided by these rules, **except for the Tennessee Dual Enrollment Grant described in Rule 1640-1-19-.11 and the Wilder-Naifeh Technical Skills Grant described in Rule 1640-1-19-.10**, may enroll as a full-time or part-time student at any eligible postsecondary institution. The amount of the award for part-time students shall be based on the hours attempted. Students enrolled in six, seven or eight hours will receive half of the award of full-time students. Students enrolled in nine, ten or eleven hours will receive three quarters of the award of a full-time student.
- (5) Except for approved medical or personal leaves of absence as provided in Rule 1640-1-19-.20 or emergency military duty as provided in Rule 1640-1-19-.21, award recipients must be continuously enrolled **in and maintain satisfactory academic progress at** an eligible postsecondary institution.
- (6) In the event that net lottery proceeds are insufficient to fully fund the TELS award program, the Corporation shall determine the appropriate manner in which the various awards shall be reduced.
- (7) Receipt of student financial aid from sources other than TELS that are applied to educational expenses will not operate to reduce the student's TELS award as long as the student's total aid does not exceed the total cost of attendance. In the event that a student's total aid exceeds the cost of attendance, the eligible postsecondary institution shall, to the extent it does not violate applicable federal regulations, use its institutional policy in reducing the student's total aid package.
- (8) The receipt of a Tennessee HOPE Scholarship, Tennessee HOPE Access grant, Tennessee ASPIRE award, Tennessee HOPE Foster Child Grant, General Assembly Merit Scholarship or Tennessee Dual Enrollment grant is contingent upon admission **to and enrollment at** an eligible postsecondary institution. Academically qualifying for any of these awards program does not guarantee admission to an eligible postsecondary institution.
- (9) **Tennessee HOPE Foster Child Tuition Grant amounts shall be specified in Rule 1640-1-19-.09.**

Authority: T.C.A. §§49-4-903, 49-4-912, 49-4-914, 49-4-915, 49-4-916, 49-4-919, 49-4-920, 49-4-921, 49-4-922, 49-4-924, and Public Chapter 481, Acts of 2005 **and Public Chapter 974 of 2006**. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Amendment filed October 21, 2004; effective February 28, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.03 APPLICATION PROCESS.

- (1) The FAFSA shall be the application for all first year TELS awards and the FAFSA, or Renewal FAFSA, shall be the means by which eligible students reapply for TELS awards after their initial year of eligibility. The FAFSA must be submitted by mail or electronically as directed in the FAFSA instructions. Regardless of the adjusted gross income attributable to the student, he or she is required to complete the FAFSA for each academic year in order to apply for and receive a TELS award.
- (2) Students must have a FAFSA received by the U.S. Department of Education on or before September 1 for fall enrollment and February 1 for spring and summer enrollment in determining awards for that academic year. Students enrolling in a Tennessee Technology Center shall have a FAFSA received by the U. S. Department of Education on or before July 1 for the summer trimester, November 1 for the fall trimester and March 1 for the spring trimester. It shall be the responsibility of the student to ensure that the FAFSA is timely submitted to ensure it is received by the above deadlines.

(Rule 1640-1-19-.02, continued)

- (3) Students shall apply for the Tennessee Dual Enrollment during their junior and senior years prior to high school graduation by submitting the Dual Enrollment Grant Fee Waiver Application to the postsecondary institution to which the student is seeking admission. The student must renew the Dual Enrollment Grant application each postsecondary academic term.
 - (a) The application deadline shall be set by the high school and postsecondary institution participating in the Dual Enrollment Grant program, but shall be no later than the eligible postsecondary institution's census date for that semester.

Authority: T.C.A. §49-4-924 and Public Chapter 481, Acts of 2005. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.04 GENERAL ELIGIBILITY.

- (1) To be eligible for a TELS award a student shall:
 - (a) Be a Tennessee citizen; and
 - (~~a~~b) Be a Tennessee resident, as defined by Chapter 0240-2-2, Classifying Students In-State and Out-of-State, as promulgated by the Board of Regents, for one year as of September 1 of the academic year of enrollment in an eligible postsecondary institution; students enrolling in a Tennessee Technology Center must be a Tennessee resident one year prior to date of term enrollment; and
 - (~~b~~c) Make application for a TELS award by submitting the FAFSA or Renewal FAFSA as required by Rule 1640-1-19-.03; and
 - (~~e~~d) Be admitted to an eligible postsecondary institution; and
 - (~~d~~e) Comply with United States Selective Service System requirements for registration, if such requirements are applicable to the student; and
 - (~~e~~f) Be in compliance with federal drug-free rules and laws for receiving financial assistance; and
 - (~~f~~g) Meet each qualification relating to the relevant TELS award and applicable to the student; and
 - (~~g~~h) Not be in default on a federal Title IV educational loan or Tennessee educational loan; and
 - (~~h~~i) Not owe a refund on a federal Title IV student financial aid program or a Tennessee student financial aid program; and
 - (~~i~~j) Not be incarcerated.

Authority: T.C.A. §§49-4-904, 49-4-905, and 49-4-924. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.05 ELIGIBILITY – TENNESSEE HOPE SCHOLARSHIP.

(Rule 1640-1-19-.05, continued)

- (1) This rule (1640-1-19-.05(1)) applies to student eligibility requirements as amended effective July 1, 2007. To be eligible for a Tennessee HOPE Scholarship as an entering freshman, a student, who graduated from an eligible high school after December 1, 2003, upon having completed curriculum requirements of the high school for graduation, shall:
 - (a) Meet the requirements of §§ 49-4-904 and 49-4-905; and
 - (b) Be admitted to and enroll in an eligible postsecondary institution no later than sixteen (16) months after graduation from high school; and
 - (c) Achieve a final overall weighted high school grade point average of at least 3.0; or
 - (d) Attain a composite ACT score of at least 21 on any single ACT test date or a combined SAT score of at least 980 on any single SAT test date.
- ~~(1) In addition to the general eligibility requirements of Rule 1640-1-19-.04, to be eligible for a Tennessee HOPE scholarship as an entering freshman, students graduating from an eligible high school, graduating from another high school located in Tennessee, completing of a Tennessee home school program, obtaining a GED, or choosing to seek enrollment in a postsecondary institution in lieu of completing high school requirements after December 1, 2004, shall, no later than 16 months following completion of the respective high school requirements be required to:~~
 - ~~(a) Apply for a Tennessee HOPE scholarship as provided by Rule 1640-1-19-.03 and enroll in an eligible postsecondary institution; and~~
 - ~~1. Achieve a final overall unweighted high school grade point average of at least 3.0; or~~
 - ~~2. Attain a composite ACT score of at least 21 on any single ACT test date or a combined SAT score of at least 980 on any single SAT test date taken prior to enrolling in a postsecondary institution; or~~
 - ~~3. Pass the GED tests with an average score of at least 525, and attain a composite ACT score of at least 21 on any single ACT test date, or a combined SAT score of at least 980 on any single SAT test date taken prior to enrolling in a post secondary institution.~~
- (2) This rule (1640-1-19-.05(2)) applies to student HOPE Scholarship eligibility as an entering freshman for students graduating from an eligible high school, graduating from another high school located in Tennessee, completing a Tennessee home school program, obtaining a GED, or choosing to seek enrollment in a postsecondary institution in lieu of completing high school requirements after December 1, 2004, but prior to postsecondary enrollment as of June 30, 2007. To be eligible for the HOPE award, the student must:
 - (a) Meet the general eligibility requirements of Rule 1640-1-19-.04; and
 - (b) No later than 16 months following completion of the respective high school requirements:
 1. Apply for a Tennessee HOPE Scholarship as provided by Rule 1640-1-19-.03; and
 2. Enroll in an eligible postsecondary institution; and
 3. Satisfy one of the following requirements;
 - (i) Achieve a final overall unweighted high school grade point average of at least 3.0; or

(Rule 1640-1-19-.05, continued)

- (ii) Attain a composite ACT score of at least 21 on any single ACT test date or a combined SAT score of at least 980 on any single SAT test date taken prior to enrolling in a postsecondary institution; or
 - (iii) Pass the GED tests with an average score of at least 525, and attain a composite ACT score of at least 21 on any single ACT test date, or a combined SAT score of at least 980 on any single SAT test date taken prior to enrolling in a postsecondary institution.
- ~~(2) In addition to the general eligibility requirements of Rule 1640-1-19-.04, to be eligible for a Tennessee HOPE scholarship as an entering freshman, students graduating from an eligible high school after December 1, 2003, but prior to December 1, 2004, must also meet the applicable additional requirements outlined below:~~
 - ~~(a) Apply for a Tennessee HOPE scholarship as provided in Rule 1640-1-19-.03 and enroll in an eligible postsecondary institution; and~~
 - 1. Achieve a final overall unweighted high school grade point average of at least 3.0; or
 - 2. Attain a composite ACT score of at least 19 on any single ACT test date, or a combined SAT score of at least 890 on any single SAT test date taken prior to enrolling in a postsecondary institution.
- (3) This rule (1640-1-19-.05(3)) applies to student HOPE Scholarship eligibility as an entering freshman for students graduating from an eligible high school after December 1, 2003, but prior to December 1, 2004. To be eligible for the HOPE award, the student must:
 - (a) Meet the general requirements of Rule 1640-1-19-.04; and
 - (b) Apply for a Tennessee HOPE Scholarship as provided in Rule 1640-1-19-.03; and
 - (c) Enroll in an eligible postsecondary institution; and
 - (d) Satisfy one of the following requirements:
 - 1. Achieve a final overall unweighted high school grade point average of at least 3.0; or
 - 2. Attain a composite ACT score of at least 19 on any single ACT test date, or a combined SAT score of at least 890 on any single SAT test date taken prior to enrolling in a postsecondary institution.
- ~~(3) In addition to the general eligibility requirements of Rule 1640-1-19-.04, to be eligible for a Tennessee HOPE scholarship as an entering freshman, students completing a Tennessee home school program, obtaining a GED, graduating from a Tennessee high school that is not an eligible high school or choosing to seek enrollment in a postsecondary institution in lieu of completing high school requirements after December 1, 2003, but prior to December 1, 2004, shall, no later than 16 months following the completion of the home school program, graduation, or the last class taken toward high school requirements shall be required to:~~
 - ~~(a) Apply for a Tennessee HOPE scholarship as provided in Rule 1640-1-19-.03 and enroll in an eligible postsecondary institution; and~~

(Rule 1640-1-19-.05, continued)

- ~~1. Attain a composite ACT score of at least 21 on any single ACT test date, or a combined SAT score of at least 980 on any single SAT test date taken prior to enrolling in a post secondary institution, if such student completed high school in a Tennessee home school program or graduated from a high school located in Tennessee that is not an eligible high school; or~~
 - ~~2. Pass the GED tests with an average score of at least 525, and attain a composite ACT score of at least 19 on any single ACT test date, or a combined SAT score of at least 890 on any single SAT test date taken prior to enrolling in a post secondary institution.~~
- (4) This rule (1640-1-19-.05(4)) applies to student HOPE Scholarship eligibility as an entering freshman for students completing a Tennessee home school program, obtaining a GED, graduating from a Tennessee high school that is not an eligible high school, or choosing to seek enrollment in a postsecondary institution in lieu of completing high school requirements. To be eligible for the HOPE award, the student must:
- (a) Meet the general eligibility requirements of Rule 1640-1-19-.04; and
 - (b) No later than 16 months following completion of the respective high school requirements:
 1. Apply for a Tennessee HOPE Scholarship as provided in Rule 1640-1-19-.03; and
 2. Enroll in an eligible postsecondary institution; and
 3. Satisfy one of the following requirements:
 - (i) Attain a composite ACT score of at least 21 on any single ACT test date, or a combined SAT score of at least 980 on any single SAT test date taken prior to enrolling in a postsecondary institution, if such student completed high school in a Tennessee home school program or graduated from a high school located in Tennessee that is not an eligible high school; or
 - (ii) Pass the GED tests with an average score of at least 525, and attain a composite ACT score of at least 19 on any single ACT test date, or a combined SAT score of at least 890 on any single SAT test date taken prior to enrolling in a post secondary institution; and
- ~~(4) In addition to the general eligibility requirements of Rule 1640-1-19-.04, to be eligible for a Tennessee HOPE scholarship, students completing high school requirements after January 1, 2003, but prior to December 1, 2003, must also meet the applicable additional requirements outlined below:~~
- ~~(a) Students graduating from an eligible high school shall, no later than the fall semester immediately following graduation, be required to:~~
 - ~~1. Apply for a Tennessee HOPE scholarship as provided by Rule 1640-1-19-.03 and enroll in an eligible postsecondary institution; and~~
 - ~~(i) Achieve a final overall unweighted high school grade point average of at least 3.0; or~~
 - ~~(ii) Attain a composite ACT score of at least 19 on any single ACT test date or a combined SAT score of at least 890 on any single SAT test date taken prior to enrolling in a postsecondary institution.~~

(Rule 1640-1-19-.05, continued)

- ~~(b) — Students completing high school in a Tennessee home school program, graduating from a high school located in Tennessee that is not an eligible high school, or choosing to seek enrollment in a postsecondary institution in lieu of completing high school requirements shall, no later than the fall semester immediately following graduation, completion of the home school program, or the last class taken toward high school requirements shall be required to:~~

 - ~~1. — Apply for a Tennessee HOPE scholarship as provided by Rule 1640-1-19-.03 and enroll in an eligible postsecondary institution; and~~
 - ~~(i) — Attain a composite ACT score of at least 21 on any single ACT test date or a combined SAT score of at least 980 on any single SAT test date taken prior to enrolling in a postsecondary institution.~~
- ~~(c) — Student obtaining a GED shall pass the GED tests with an average score of at least 525 and shall, no later than the fall semester immediately following obtaining a GED, be required to:~~

 - ~~1. — Apply for a Tennessee HOPE scholarship as provided by Rule 1640-1-19-.03 and enroll in an eligible postsecondary institution; and~~
 - ~~(i) — Attain a composite ACT score of at least 19 on any single ACT test date or a combined SAT score of at least 890 on any single SAT test date taken prior to enrolling in a postsecondary institution.~~
- ~~(d) — All students meeting the requirements of subparagraph (4)(a), (b), or (c) of this rule, shall also meet each of the following criteria:~~

 - ~~1. — Attend an eligible postsecondary institution or a postsecondary institution located outside of Tennessee that is accredited by a regional accrediting association during the 2003–2004 academic year without a Tennessee HOPE scholarship and complete at least twenty-four (24) semester hours at such institution with a cumulative grade point average of 2.75; and~~
 - ~~2. — Maintain satisfactory progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the postsecondary institution in which the student enrolled.~~
- (5) This rule (1640-1-19-.05(5)) applies to student HOPE Scholarship eligibility as an entering freshman for students completing high school after January 1, 2003, but prior to December 1, 2003. HOPE award eligibility requirements for various student subgroups are as follows:

 - (a) Students graduating from an eligible high school shall, no later than the fall semester immediately following graduation, be required to:
 - 1. Apply for a Tennessee HOPE Scholarship as provided by Rule 1640-1-19-.03; and
 - 2. Enroll in an eligible postsecondary institution; and
 - 3. Satisfy one of the following requirements:
 - (i) Achieve a final overall unweighted high school grade point average of at least 3.0; or

(Rule 1640-1-19-.05, continued)

- (ii) Attain a composite ACT score of at least 19 on any single ACT test date or a combined SAT score of at least 890 on any single SAT test date taken prior to enrolling in a postsecondary institution.
 - (b) Students completing high school in a Tennessee home school program, graduating from a high school located in Tennessee that is not an eligible high school, or choosing to seek enrollment in a postsecondary institution in lieu of completing high school requirements shall, no later than the fall semester immediately following graduation, completion of the home school program, or the last class taken toward high school requirements shall be required to:
 - 1. Apply for a Tennessee HOPE Scholarship as provided by Rule 1640-1-19-.03; and
 - 2. Enroll in an eligible postsecondary institution; and
 - 3. Satisfy one of the following requirements:
 - (i) Achieve a final overall unweighted high school grade point average of at least 3.0; or
 - (ii) Attain a composite ACT score of at least 19 on any single ACT test date or a combined SAT score of at least 890 on any single test date taken prior to enrolling in a postsecondary institution.
 - (c) Students obtaining a GED shall pass the GED tests with an average score of at least 525 and shall, no later than the fall semester immediately following obtaining a GED, be required to:
 - 1. Apply for a Tennessee HOPE Scholarship as provided by Rule 1640-1-19-.03; and
 - 2. Enroll in an eligible postsecondary institution; and
 - 3. Attain a composite ACT score of at least 19 on any single ACT test date or a combined SAT score of at least 890 on any single SAT test date taken prior to enrolling in a postsecondary institution.
 - (d) All students meeting the requirements of subparagraph (5)(a), (b), or (c) of this rule, shall also meet each of the following criteria:
 - 1. Attend an eligible postsecondary institution or a postsecondary institution located outside of Tennessee that is accredited by a regional accrediting association during the 2003-2004 academic year without a Tennessee HOPE Scholarship and complete at least twenty-four (24) semester hours at such institution with a cumulative grade point average of 2.75; and
 - 2. Maintain satisfactory progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the postsecondary institution in which the student enrolled.
- (56) Students entering active duty in the United States Armed Services within two years after graduating from an eligible high school, graduating from a high school located in Tennessee that is not an eligible high school, completing high school in a Tennessee home school program or obtaining a GED, and otherwise meets the criteria outlined in this rule may apply for a TELS award if the student:
 - (a) Applies within seven years of the student's date of entry into military service, or within one year of the student's honorable discharge from military service, whichever comes first; and

(Rule 1640-1-19-.05, continued)

- (b) After graduation from high school, did not attend a postsecondary institution prior to entering military service.
- ~~(6) Students who are a Tennessee citizen and a dependent child of a member of the U. S. armed forces or the Tennessee National Guard whose home of record is Tennessee and who is engaged in active military service, or Department of Defense employee shall be eligible for a Tennessee Hope Scholarship as an entering freshman if such students meet all eligibility requirements except that the students:~~
- ~~—— (a) Did not reside in Tennessee for one (1) year immediately preceding the date of application for the Tennessee HOPE scholarship; and~~
- ~~—— (b) Are a natural, adoptive, or stepchild, under 21, and claimed as a dependent on the federal income tax return of military parent; and~~
- ~~—— (c) Did not graduate from an eligible high school as defined in 1640-1-19-.01(17), an ineligible high school, home school, or obtain a GED; and~~
- ~~—— (d) Graduated from a high school located outside Tennessee. Such high school shall be considered eligible if the school was:~~
- ~~1. Operated by the United States; or~~
- ~~2. Accredited by the appropriate regional accrediting association for the state in which the school is located; or~~
- ~~3. Accredited by an accrediting association recognized by the foreign nation in which the school is located.~~
- (7) This paragraph shall apply to a student who is the dependent child of a military parent or the dependent child of a full-time religious worker.
- (a) Students who are a Tennessee citizen and a dependent child of a military parent may be eligible for a Tennessee HOPE Scholarship as an entering freshman as provided in this subparagraph a.
1. Such students may be eligible if they meet all eligibility requirements for a HOPE Scholarship except that:
- (i) While the parent is a military parent, the student does not reside in Tennessee immediately preceding the date of application for financial assistance; and
- (ii) The student did not graduate from an eligible high school as defined in rule 1640-1-19-.01(17), an ineligible high school, a Tennessee home school or obtain a GED.
2. Students who graduated from a high school outside of Tennessee may nevertheless be eligible if the high school was:
- (i) Operated by the United States; or
- (ii) Accredited by the appropriate regional accrediting association for the state in which the school is located; or

(Rule 1640-1-19-.05, continued)

- (iii) Accredited by an accrediting association recognized by the foreign nation in which the school is located.
- 3. Students graduating from high schools outside Tennessee who do not meet the requirements of part 2. of subparagraph a. may still be eligible for the HOPE Scholarship if they completed high school in a home school program or obtained a GED.
- 4. For purposes of this subparagraph (a), the following definitions apply:
 - (i) “Dependent child” means a natural or adopted child or stepchild whom a military parent claims as a dependent for federal income tax purposes; who is under twenty-one (21) years of age; and who resides in another state or nation only while the military parent is engaged in active military service, on full-time national guard duty, or actively employed by the U.S. Department of Defense.
 - (ii) “Military parent” means a parent of a dependent child who is:
 - (I) A member of the armed forces engaged in active U.S. military service and stationed on active duty outside Tennessee; or
 - (II) A member of the Tennessee National Guard engaged in active U.S. military service and stationed on active duty outside Tennessee; or
 - (III) A full-time civilian employee of the Department of Defense working outside Tennessee.
 - (iii) “Tennessee National Guard” means any federally recognized unit of the Tennessee Army or Air National Guard.
- 5. Subparagraph a. shall only apply to:
 - (i) Dependent children of members of the armed forces or Tennessee National Guard whose home of record, at the time of entry into military service, is Tennessee; and
 - (ii) Dependent children of full-time civilian employees of the U.S. Department of Defense, who are Tennessee residents.
- (b) A student who is a Tennessee citizen and a dependent child of a full-time religious worker may be eligible for a Tennessee HOPE Scholarship as an entering freshman as provided in this subparagraph (b).
 - 1. Such student must meet all HOPE Scholarship eligibility requirements except that:
 - (i) While the student’s parent is serving in another nation as a religious worker, the student does not reside in Tennessee immediately preceding the date of application for financial assistance; and
 - (ii) The student did not graduate from an eligible high school as defined in rule 1640-1-19-.01(17), an ineligible high school, a Tennessee home school or obtain a GED.
 - 2. To be eligible for the HOPE Scholarship under this subparagraph b., the student must:

(Rule 1640-1-19-.05, continued)

- (i) Graduate from a high school in the foreign nation where the student's parent is a religious worker that is accredited by a regional accrediting association as defined by § 49-4-902(24) and meet the academic eligibility requirements of § 49-4-907(3); or
 - (ii) Complete high school in a home school in the foreign nation where the student's parent is a religious worker and meet the academic requirements of § 49-4-908(2)(A).
 - 3. As used in this subparagraph b.:
 - (i) "Dependent child" means a natural or adopted child or stepchild whom the parent, who is a religious worker, claims as a dependent for federal income tax purposes; who is under twenty-one (21) years of age; and who resides in another nation only while the parent is actively engaged in full-time religious work; and
 - (ii) "Religious worker" means a person sent to another country by a church, religious denomination or other religious organization to spread its faith or to do social or medical work.
 - 4. Subparagraph b. only applies to dependent children of religious workers who are engaged in full-time religious work in another nation for more than one (1) year and who were Tennessee residents before leaving the U.S. to do religious work and intend to return to Tennessee upon completion of their assignment as a religious worker.
- (78) Beginning with the Fall 2005 semester a non-traditional student who is an entering freshman, as those terms are defined in these rules, may become eligible for a Tennessee HOPE Scholarship. In addition to the general eligibility requirements of Rule 1640-1-19-.04, the non-traditional student must have an adjusted gross income attributable to the student that does not exceed thirty-six thousand dollars (\$36,000) and attend an eligible postsecondary institution as a full- or part-time student, as those terms are defined in these rules, and attempt at least twenty-four (24) semester hours. If the student achieves a 2.75 grade point average at the end of the semester in which twenty-four (24) hours are attempted, the student shall be eligible for a Tennessee HOPE Scholarship in subsequent semesters if the following additional requirements are met:
- (a) Applies for the Tennessee HOPE Scholarship as provided in Rule 1649-1-19-.03;
 - (b) Has an adjusted gross income attributable to the student that does not exceed thirty-six thousand dollars (\$36,000);
 - (c) Is continuously enrolled in an eligible postsecondary institution as a full- or part-time student, as those terms are defined in these rules;
 - (d) Meets the applicable retention requirements of Rule 1640-1-19-.12; and
 - (e) Maintains satisfactory progress in a course of study in accordance with the standards and practices used for federal Title IV programs at the postsecondary institution attended.
- (89) A non-traditional student who does not meet the grade point average requirement of paragraph (78) of this rule, shall be eligible for a Tennessee HOPE Scholarship if the student achieves a cumulative grade point average of at least 3.0 at the end of any semester in which eligibility is reviewed under Rule 1640-1-19-.12, provided the student continues to meet the provisions of paragraph (78)(a), (b), (c), and (e) of this rule.

(Rule 1640-1-19-.05, continued)

- (910) A non-traditional student shall not be eligible for either the ASPIRE award or the General Assembly Merit Scholarship award.
- (11) HOPE Scholarship eligibility for students graduating from a high school located in a neighboring state in a county contiguous to Tennessee is as follows:
- (a) Students are eligible for a Tennessee HOPE Scholarship as an entering freshman notwithstanding the provisions of T.C.A. § 49-4-905(b)(2), if the student:
 - 1. Is a citizen of Tennessee; and
 - 2. Has been a Tennessee resident, as defined by the Tennessee Board of Regents regulations promulgated under § 49-8-104, for one (1) year immediately preceding the date of graduation from high school, and remains a Tennessee resident between graduation from high school and enrollment in an eligible postsecondary institution; and
 - 3. Is not ineligible for the scholarship under § 49-4-904; and
 - 4. Attains a composite ACT score of at least 21 on any single ACT test date or a combined SAT score of at least 980 on any single SAT test date; and
 - 5. Applies for a Tennessee HOPE Scholarship; and
 - 6. Is admitted to and enrolls in an eligible postsecondary institution no later than sixteen (16) months after graduating from high school.
 - (b) Students who are eligible for a HOPE Scholarship under this Rule 1640-1-19-.05(11)(a) shall not be eligible for a General Assembly Merit Scholarship.
 - (c) Such students, if they chose to attend a regionally accredited postsecondary institution located outside of Tennessee without a HOPE Scholarship, may be eligible for a HOPE Scholarship as a transfer student. However, the student must meet all requirements of T.C.A. § 49-4-929 other than any requirements pertaining to the type of high school from which the student graduated.
 - (d) This rule, 1640-1-19-.05(11) shall not be interpreted to make an out-of-state public secondary school located in a county bordering Tennessee that Tennessee residents are authorized to attend under T.C.A. 49-6-3108, an ineligible high school.

Authority: T.C.A. §§49-4-905, 49-4-907, 49-4-908, 49-4-909, 49-4-910, 49-4-918, 49-4-924, ~~and~~ Public Chapter 481, Acts of 2005 ~~and~~ Public Chapter 974, Sections 4, 5 and 6. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Amendments filed October 21, 2004; effective February 28, 2005. Amendments filed January 25, 2005; effective May 31, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.06 ELIGIBILITY – TENNESSEE ASPIRE AWARD.

Except as provided in 1640-1-19-.05(910), any student eligible for the Tennessee HOPE Scholarship with an adjusted gross income attributable to the student that does not exceed thirty-six thousand dollars (\$36,000) will receive ASPIRE award in addition to the base award. The adjusted gross income attributable to the student shall be reviewed each academic year to determine continuing eligibility for the ASPIRE award. Notwithstanding the provisions of Rule 1640-1-19-.12 to the contrary, a student otherwise eligible for the Tennessee HOPE Scholarship and meeting the requirements of this rule shall receive the ASPIRE award regardless of the student's eligibility for

(Rule 1640-1-19-.06, continued)

this grant in any prior year. A student eligible for both the ASPIRE award and the General Assembly Merit Scholarship shall be awarded the ASPIRE award, but shall not simultaneously receive both awards.

Authority: T.C.A. §§49-4-915, 49-4-917, 49-4-924, and Public Chapter 481, Acts of 2005. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.07 ELIGIBILITY – GENERAL ASSEMBLY MERIT SCHOLARSHIP.

- (1) Any student eligible for the Tennessee HOPE Scholarship and enrolled in a program leading to an associate or baccalaureate degree will also receive a General Assembly Merit Scholarship if the following criteria are met:
 - (a) Students graduating from an eligible high school after December 1, 2003, shall:
 1. Apply for the General Assembly Merit Scholarship as provided in Rule 1640-1-19-.03;
 2. Attain a composite ACT score of at least 29 on any single ACT test date or a combined SAT score of at least 1280 on any single SAT test date taken prior to enrolling in a postsecondary institution; and
 3. Achieve a final overall weighted high school grade point average of at least 3.75;
 - (b) Students completing high school in a Tennessee home school program after December 1, 2003, or graduating from a high school located in Tennessee that is not an eligible high school after December 1, 2003, shall:
 1. Attain a composite ACT score of at least 29 on any single ACT test date or a combined SAT score of at least 1280 on any single SAT test date taken prior to enrolling in a postsecondary institution;
 2. During the course of a home school program or while attending high school, enroll in at least four (4) courses totaling at least twelve (12) semester hours at an eligible postsecondary institution. Such courses shall meet or be equivalent to courses meeting the minimum degree requirements of the Board of Regents, other than the minimum degree requirements pertaining to physical education; and
 3. Achieve a cumulative grade point average of at least 3.0 for all courses attempted at any eligible postsecondary institution during the course of a home school program or while attending high school.
 - (c) Students graduating from an eligible high school after January 1, 2003, but prior to December 1, 2003, and seeking an associate or baccalaureate degree shall have:
 1. Achieved a final overall unweighted high school grade point average of at least 3.75; and
 2. Attained a composite ACT score of at least 29 on any single ACT test date or a combined SAT score of at least 1280 on any single SAT test date;
 3. Enrolled in either an eligible postsecondary institution or a postsecondary institution located outside of Tennessee that is accredited by a regional accrediting association

(Rule 1640-1-19-.07, continued)

during the 2003-2004 academic year and attempt at least twenty-four (24) semester hours at such institution with a cumulative grade point average of 2.75;

4. Maintained satisfactory progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the eligible postsecondary institution in which the student enrolled; and
- (2) Students eligible for both the ASPIRE award and the General Assembly Merit Scholarship shall be awarded the ASPIRE award, but shall not simultaneously be awarded both.
- (3) Failure to retain the General Assembly Merit Scholarship for any reason shall result in the permanent loss of the award. Additionally, if a student loses the General Assembly Merit Scholarship for any reason other than failure to maintain the required cumulative grade point average, then the student shall not be able to regain either the Tennessee HOPE Scholarship or the General Assembly Merit Scholarship.
- (4) A student eligible for a Tennessee HOPE Scholarship under Rule 1640-1-19-.05(11) shall not be eligible for a General Assembly Merit Scholar supplemental award under § 49-4-916.

Authority: T.C.A. §§49-4-916, 49-4-917, 49-4-924, ~~and~~ Public Chapter 481, Acts of 2005 ~~and~~ Public Chapter 974, Acts of 2006. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Amendments filed October 21, 2004; effective February 28, 2005. Amendments filed January 25, 2005; effective May 31, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.08 ELIGIBILITY – TENNESSEE HOPE ACCESS GRANT.

- (1) In addition to the general eligibility requirements in Rule 1640-1-19-.04, to be eligible for a Tennessee HOPE access grant a student shall:
 - (a) Have an adjusted gross income attributable to the student that does not exceed thirty-six thousand dollars (\$36,000);
 - (b) Apply for a Tennessee HOPE access grant as provided in Rule 1640-1-19-.03;
 - (c) Graduate from an eligible high school after December 1, 2003, upon having completed curriculum requirements of the high school for graduation;
 - (d) Achieve a final overall unweighted high school grade point average of at least 2.75;
 - (e) Attain a composite ACT score of at least 18 on any single ACT test date or a combined SAT score of at least 860 on any single SAT test date taken prior to enrolling in a postsecondary institution; ~~and~~
 - (f) Be admitted to and enroll in an eligible postsecondary institution no later than sixteen (16) months after graduation from high school.

Authority: §§49-4-920 and 49-4-924. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Amendments filed October 21, 2004; effective February 28, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-

(Rule 1640-1-19-.08, continued)

.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19.09 ELIGIBILITY – TENNESSEE HOPE FOSTER CHILD GRANT.

- (1) In addition to the general eligibility requirements in Rule 1640-1-19-.04 and the applicable **eligibility** requirements of **the Tennessee HOPE Scholarship and the Tennessee HOPE Access Grant** ~~Rule 1640-1-19-.05(1)~~, to be eligible for a Tennessee HOPE Foster Child Grant, a student shall present the Corporation with official certification from the Department of Children's Services that the student meets the eligibility requirement for the tuition grant.
- ~~(2) The Tennessee HOPE foster child tuition grant shall be awarded in addition to any other TELS award that a student is eligible to receive. The Tennessee HOPE foster child tuition grant shall be applied only toward the costs of tuition, maintenance fees, student activity fees and required registration or matriculation fees at the eligible public postsecondary institution the student attends.~~
- (2) Applicants shall apply for all available financial aid, including funds provided through the Federal Foster Care Independence Act of 1999.**
- ~~(3) Any student eligible for the Tennessee HOPE foster child tuition grant shall apply for all available financial aid, including, but not limited to, the Tennessee HOPE scholarship or Tennessee HOPE access grant, if eligible, and funds provided through the Federal Foster Care Independence Act of 1999, if applicable. Any of the additional sources of financial aid for which the student is eligible shall first be applied to the student's room and board, which shall not exceed the maximum cost of room and board provided through the facilities of the eligible public postsecondary institution that the student is attending, then to additional items making up the institution's cost of attendance not covered by the Tennessee HOPE foster child tuition grant.~~
- (3) The amount of the grant shall equal the Cost of Attendance less all other student financial assistance from all sources, subject to the following limitations:**
 - (a) At a public postsecondary institution, the grant shall not exceed the cost of tuition and mandatory fees.**
 - (b) At an independent postsecondary institution, the grant shall not exceed the statewide weighted average cost of tuition and mandatory fees applicable at a 2-year or 4-year public postsecondary institution.**
- (4) Subject to meeting retention standards provided by these rules for a TELS award, the student shall be eligible for the Tennessee HOPE foster child tuition grant:
 - (a) For a period of no more than four (4) years after the date of graduation from high school or equivalent; and
 - (b) For a period of six (6) years after admittance to an eligible **public** postsecondary institution, if, except as provided by Rule 1640-1-19-.20 or 1640-1-19-.21, the student maintains satisfactory progress in a course of study in accordance with the standards and practices used for Title IV programs by the postsecondary institution in which the student is currently enrolled.
- (5) Nothing in these rules shall be construed to **guarantee acceptance by, or entrance into, any eligible postsecondary institution for youth in, or formerly in, the custody of the state** or limit the participation of a youth in, or formerly in, the custody of the state in any other program of financial assistance for postsecondary education.

(Rule 1640-1-19-.10, continued)

Authority: Public Chapter 481, Acts of 2005 and Public Chapter 869, Acts of 2006. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.10 ELIGIBILITY – WILDER-NAIFEH TECHNICAL SKILLS GRANT.

- (1) In addition to the general eligibility requirements in Rule 1640-1-19-.04, to be eligible for a Wilder-Naifeh technical skills grant a student seeking a diploma or certificate at a Tennessee Technology Center operated by the Board of Regents shall:
 - (a) Be admitted to the institution in a program of study leading to a certificate or diploma; and
 - (b) Have not, at any time, been the recipient of a Tennessee HOPE Scholarship or completed a certificate or diploma with a Wilder-Naifeh Technical Skills Grant.
- (2) No minimum number of hours of enrollment is required for eligibility for a Wilder-Naifeh technical skills grant.
- (3) An eligible student may receive a Wilder-Naifeh technical skills grant for all course work required by the institution for a program of study leading to a certificate or diploma. Wilder-Naifeh technical skills grants may not be used for continuing education courses.

Authority: T.C.A. §§49-4-921 and 49-4-924. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Amendment filed October 21, 2004; effective February 28, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.11 ELIGIBILITY – TENNESSEE DUAL ENROLLMENT GRANT.

- (1) ~~In addition to the general eligibility requirements of Rule 1640-1-19-.04, to be eligible for a Tennessee Dual Enrollment grant a student shall: be enrolled in a Tennessee high school or home school program, admitted to, and concurrently enrolled in, an eligible postsecondary institution and make application to the eligible postsecondary institution on the application form developed by the Corporation.~~
 - (a) Be a Tennessee citizen; and
 - (b) Be a Tennessee resident, as defined by Chapter 0240-2-2, Classifying Students In-State and Out-of-State, as promulgated by the Board of Regents, for one year as of September 1 of the academic year of enrollment in an eligible postsecondary institution; students enrolling in a Tennessee Technology Center must be a Tennessee resident one year prior to date of term enrollment; and
 - (c) Be admitted to an eligible postsecondary institution; and
 - (d) Not be incarcerated.

(Rule 1640-1-19-.11, continued)

- (2) The student must have completed all of the academic requirements of the 10th grade (high school sophomore) and be classified as an 11th grader (high school junior) or 12th grader (high school senior) by the student's high school or home school program.
- (3) The student must not have already received a high school diploma or General Education Development (GED) diploma.
- (4) A student's participation in the Tennessee Dual Enrollment Grant program is limited to the remaining amount of time normally required to complete the high school diploma, from the time of initial participation in the program. The grant is available for the regular fall and spring semesters, and for summer semesters prior to graduation from high school for those students who did not exceed the maximum award during the regular school year.

Authority: Public Chapter 481, Acts of 2005. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.12 RETENTION OF AWARDS – GENERAL REQUIREMENTS.

- (1) To retain a TELS award authorized by this chapter, a student at an eligible postsecondary institution shall continue to meet all applicable requirements for the scholarship and shall reapply by completing the FAFSA or Renewal FAFSA pursuant to Rule 1640-1-19-.03 for the applicable award for each academic year.
- (2) Eligibility shall also be reviewed at the end of the semester in which the student has attempted a total of twenty-four (24), forty-eight (48), seventy-two (72), or ninety-six (96) semester hours. At the end of the semester in which the student has attempted a total of twenty-four (24) semester hours, the student shall have achieved a cumulative grade point average of at least 2.75 to continue to receive the TELS award. At the end of the semester in which the student has attempted a total of forty-eight (48), seventy-two (72), or ninety-six (96) semester hours, the student shall achieve a cumulative grade point average of at least 3.0 to continue to receive the TELS award.
- (3) Except as provided in paragraph (4) of this rule and Rules 1640-1-19-.20 and 1640-1-19-.21—which outline appropriate justification for medical and personal leaves of absence, a student may receive a Tennessee HOPE Scholarship until the first of the following events:
 - (a) The student has earned a baccalaureate degree;
 - (b) The student has attempted at any postsecondary institution a total of one hundred twenty (120) semester hours;
 - (c) Five years have passed from the date of the student's initial enrollment at any postsecondary institution.
- (4) The attempted credit hour limitation includes remedial and developmental studies and all regular college credit courses attempted after high school graduation. If a student enters the semester with less than one hundred twenty (120) semester hours attempted and will surpass the one hundred twenty (120) semester hours limit, he or she is eligible for payment for the full number of hours enrolled for that semester. If the student is enrolled in a specific undergraduate degree program that is designed to be more than one hundred twenty (120) semester hours in length, the student is eligible for a total of one hundred thirty-six (136) semester hours attempted, or the number of hours required for graduation, whichever is less. The student shall achieve a cumulative grade point average of 3.0 at the end of the

(Rule 1640-1-19-.12, continued)

semester in which the student has attempted one hundred twenty (120) semester hours to continue to receive the scholarship. The student is eligible for payment for the full number of hours enrolled in the final semester. Regardless of the number of hours attempted, once the student has earned a bachelor's degree, he or she is ineligible for additional TELS awards.

- (5) A student who meets all other requirements for fourth or fifth year eligibility except that he or she is classified at the professional level rather than as an undergraduate, and has not been awarded a baccalaureate degree, is eligible if he or she was accepted into the professional level program of study that is an extension of the student's bachelor's degree program. Such student is eligible for a total of one hundred thirty-six (136) semester hours, or the number of hours required for the degree, whichever is less.
- (6) If a student ceases to be eligible for any TELS award, except the General Assembly Merit Scholarship, due to failure to achieve the cumulative grade point average required at the end of the semester in which the student has attempted twenty-four (24), forty-eight (48), seventy-two (72), ninety-six (96), or one hundred twenty (120) semester hours, the student may regain the applicable award or awards by:
 - (a) Continuing to meet all applicable non-academic requirements for the applicable award or awards,
 - (b) Maintaining continuous enrollment at an eligible postsecondary institution without the applicable award or awards,
 - (c) Achieving a cumulative grade point average of at least 3.0 at the end of any semester in which eligibility would have been reviewed, had the student not lost the award or awards,
 - (d) Reapplying for the scholarship as provided in Rule 1640-1-19-.03.
- (7) The provisions of paragraph (6) of this rule shall also apply to any student who:
 - (a) Completed high school requirements after December 1, 2003, who, for whatever reason, did not receive a TELS award, notwithstanding the fact that the student met the applicable initial eligibility requirements of Rule 1640-1-19-.05~~(1), (2) or (3)~~ (2), (3), or (4); or
 - (b) Completed high school requirements after January 1, 2003 and prior to December 1, 2003, who completed at least twenty-four (24) semester hours during the 2003-2004 academic year with a cumulative grade point average under 2.75, but met all other applicable initial eligibility requirements of Rule 1640-1-19-.05(45), and is otherwise eligible for the award.
- (8) No retroactive awards shall be made for semester hours attempted in order to regain the scholarship.
- (9) A student can utilize the option outlined in paragraph (6) of this rule only one time. A student who, after regaining the award or awards pursuant to paragraph (6) of this rule, subsequently fails to retain any TELS award due to failure to achieve the cumulative grade point average at a regular credit hour checkpoint shall not be eligible to regain the TELS award or become eligible for another TELS award.
- (10) Except as provided by Rule 1640-1-19-.20 or 1640-1-19-.21, a student receiving a TELS award provided by this chapter shall maintain continuous enrollment at an eligible postsecondary institution and maintain satisfactory progress in a course of study in accordance with the standards and practices used for Title IV programs by the postsecondary institution in which the student is currently enrolled.

Authority: T.C.A. §§49-4-909, 49-4-911, 49-4-912, 49-4-913, 49-4-920, 49-4-921, 49-9-924, and Public Chapter 481, Acts of 2005. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004.

(Rule 1640-1-19-.12, continued)

Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.13 RETENTION OF AWARDS – TENNESSEE HOPE ACCESS GRANT.

- (1) In addition to the general requirements for retention of award in Rule 1640-1-19-.12:
 - (a) A Tennessee HOPE access grant shall be awarded to an eligible student only until the end of the semester in which the student has attempted a total of twenty-four (24) semester hours. A student who is eligible for a Tennessee HOPE Scholarship shall be ineligible for a Tennessee HOPE access grant.
 - (b) If a student receiving a Tennessee HOPE access grant has achieved a cumulative grade point average of at least 2.75 at the end of the semester in which the student has attempted twenty-four (24) semester hours, the student shall be eligible for a Tennessee HOPE Scholarship. The student will also receive the ASPIRE award referenced in Rule 1640-1-19-.06, if the adjusted gross income attributable to the student at the time of review does not exceed thirty-six thousand dollars (\$36,000).
 - (c) If a student ceases to be eligible due to failure to achieve the cumulative grade point average required at the end of the semester in which the student has attempted twenty-four (24) semester hours, the student may be eligible to regain the HOPE Scholarship by following the procedure outlined in Rule 1640-1-19-.12(6).
 - (d) A student may receive a Tennessee HOPE Scholarship after having received a Tennessee HOPE access grant until the first of the following events:
 1. The student has earned a baccalaureate degree;
 2. The student has attempted at any postsecondary institution a total of one hundred twenty (120) semester hours, or if the student is enrolled in an undergraduate degree program required to be more than one hundred twenty (120) semester hours in length, that student is eligible for a total of one hundred thirty-six (136) semester hours attempted, or the number of hours required for graduation, whichever is less; or
 3. Five years from the date of the student's initial enrollment at any postsecondary institution have passed.

Authority: T.C.A. §§49-4-920, 49-4-924, and Public Chapter 481, Acts of 2005. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.14 RETENTION OF AWARDS – TENNESSEE DUAL ENROLLMENT GRANT.

- (1) To be eligible for a dual enrollment grant for a semester beyond the first semester of receipt, the student shall continue to meet all eligibility requirements for the grant and shall achieve a cumulative grade point average of 2.75 for all postsecondary courses attempted under a dual enrollment grant.
- (2) The dual enrollment cumulative grade point average used to determine eligibility for a renewal of a dual enrollment grant must be calculated by the institution the student is attending, utilizing its

(Rule 1640-1-19-.14, continued)

institutional grading policy and must be based on all dual enrollment credit hours attempted, except as otherwise provided in this rule.

- (3) Remedial and developmental studies, distance education courses and independent studies courses are eligible for payment with a Tennessee dual enrollment grant and shall be included in the calculation of the postsecondary cumulative grade point average.
- (4) Courses in which a student enrolls as an audit student for which no college credit will be received cannot be paid with a dual enrollment grant.
- (5) Students who obtain a grade change shall notify the financial aid office within thirty (30) calendar days of the grade change and request reinstatement of his/her award on a form developed by the institution for this purpose. If the grade change makes the student eligible for a dual enrollment grant, the student can be awarded retroactively in the current award year. If the grade change affects the student's eligibility from the previous award year, the award may be adjusted in the current award year.
- (6) A student enrolled in a matriculating status at an eligible postsecondary institution shall qualify for award payment for distance learning courses if all other eligibility requirements are met.
- (7) The grant will pay only for lower division (courses numbered 100-200 or 1000-2000) postsecondary credit for general education courses and courses in the disciplines. The grant will not pay for upper division courses (numbered 300-400 or 3000-4000).

Authority: Public Chapter 481, Acts of 2005. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.15 TENNESSEE EDUCATION LOTTERY SCHOLARSHIP AWARD PROCESS.

- (1) On or before June 15 of each year, all Tennessee high schools and home school programs shall utilize available services provided by the corporation or other partnering agencies to submit the name, social security number, grade point averages, and highest composite ACT/SAT scores for academically eligible students, cumulative at least through the seventh semester.
- (2) On or before September 1 of each year, all Tennessee high schools shall revise and submit to the Corporation the information required of each in the paragraph 1 of this rule, cumulative through the eighth semester.
- (3) Eligible postsecondary institutions that enroll students receiving scholarships or grants shall assist in providing and certifying student information necessary for administering, receiving, and evaluating such programs.

Authority: T.C.A. §49-4-903 and 49-4-924. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.16 CONTINUATION OF TENNESSEE EDUCATION LOTTERY SCHOLARSHIP AWARD.

- (1) All students receiving a TELS award shall reapply for the award by filing a FAFSA or Renewal FAFSA as provided in Rule 1640-1-19-.03 for each subsequent year.
- (2) During the certification process, all eligible postsecondary institutions shall certify the number of credit hours attempted and the cumulative grade point average of all students receiving a TELS award at the end of the semester at which the student has attempted twenty-four (24), forty-eight (48), seventy-two (72), ninety-six (96), or one hundred twenty (120) semester hours.

Authority: T.C.A. §§49-4-903, 49-4-911, and 49-4-924. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Amendment filed October 21, 2004; effective February 28, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.17 AWARD MADE IN ERROR.

If a student receives a TELS award and it is later determined that all or a portion of the award was made in error, the student shall be required to reimburse the eligible postsecondary institution for the amount of the award made in error. The eligible postsecondary institution shall provide the student with a notice indicating the amount to be refunded. Additionally, the eligible postsecondary institution shall notify the Corporation of the charge back, which shall be noted on the student's record. The eligible postsecondary institution shall also be responsible for obtaining repayment from the student. The student will be ineligible for student aid from the Corporation until the refund is paid.

Authority: T.C.A. §§49-4-924. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.18 REFUND POLICY.

If a recipient of a TELS award or a Tennessee dual enrollment grant fails to complete a semester for any reason, the eligible postsecondary institution shall apply its refund policy to determine whether a refund may be required and/or funds returned to the Corporation. The eligible postsecondary institution shall provide the student with a notice indicating the amount to be returned to the student or the amount to be refunded to the Corporation. Additionally, the eligible postsecondary institution shall notify the Corporation of the charge back, which shall be noted on the student's record. The eligible postsecondary institution shall also be responsible for obtaining repayment from the student. The student shall be ineligible for student aid from the Corporation until the refund is paid.

Authority: T.C.A. §§49-4-924. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.19 CONVERTING FROM FULL-TIME TO PART-TIME ENROLLMENT.

- (1) Students enrolled in a full-time status, as of institutionally defined census date, may not convert to part-time status within the same semester and receive a scholarship award for the succeeding semesters unless the student requests and the institution approves the change to part-time status.
- (2) An institution may allow a change from full-time to part-time status within the same semester only when there are documented medical or personal grounds. Such medical or personal grounds shall

include, but not be limited to, illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, or other extraordinary circumstances beyond the student's control where continued full-time attendance by the student creates a substantial hardship.

- (3) Each eligible postsecondary institution shall adopt procedures for considering student requests for change from full-time to part-time status within the semester. In the event an institution denies a student's request to change from full-time status to part-time status within a semester, the student may appeal the decision pursuant to Rule 1640-1-19-.26.
- (4) In the event that the decision to deny the change of status is upheld through the appeals process, the student shall be ineligible to regain the TELS award or become eligible for another TELS award.
- (5) In the event the change to part-time status is approved, the eligible postsecondary institution shall apply its refund policy to determine whether a refund may be required and/or funds returned to the Corporation. The eligible postsecondary institution shall provide the student with a notice indicating the amount to be returned to the Corporation. Additionally, the eligible postsecondary institution shall notify the Corporation of the charge back, which shall be noted on the student's record.
- (6) For the purposes of this rule, only courses that are included in the calculation of the grade point average pursuant to Rule 1640-1-19-.22 are to be considered in determining full-time status.

Authority: T.C.A. §§49-4-911, 49-4-912, and 49-4-924. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.20 PERSONAL OR MEDICAL LEAVE OF ABSENCE.

- (1) A student may be granted medical or personal leaves of absence from attendance at an eligible postsecondary institution and resume receiving an award(s) upon resumption of the student's attendance at an eligible postsecondary institution so long as all other applicable eligibility criteria are met. Each eligible postsecondary institution shall adopt procedures for considering student requests for leaves of absence. An eligible postsecondary institution may grant leaves of absence only for medical or personal reasons. In addition to the reasons outlined in Rule 1640-1-.18, allowable medical or personal reasons shall include, but not be limited to, illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, to fulfill a religious commitment expected of all students of that faith, or other extraordinary circumstances beyond the student's control where continued attendance by the student creates a substantial hardship. Acceptable reasons shall also include a student's participation in an internship or co-op program that is required or encouraged as part the academic program in which he/she is enrolled. In the event an institution denies a student's request for a medical or personal leave of absence, the student may appeal the decision in accordance with Rule 1640-1-19-.26.
- (2) A student granted a medical or personal leave of absence who resumes their education at an eligible postsecondary institution shall retain TELS award eligibility until the first of the following events:
 - (a) The student has earned a baccalaureate degree;
 - (b) The student has attempted at any postsecondary institution a total of one hundred twenty (120) semester hours, or if the student is enrolled in an undergraduate degree program required to be more than one hundred twenty (120) semester hours in length, that student is eligible for a total of one hundred thirty-six (136) semester hours attempted, or the number of hours required for graduation, whichever is less; or

- (c) The sum of the number of calendar years the student attended a postsecondary institution prior to the leave of absence and the number of calendar years of attendance after the leave of absence equals five calendar years.

Authority: T.C.A. §§49-4-903, 49-4-919, and 49-4-924. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.21 MILITARY MOBILIZATION OF ELIGIBLE STUDENTS.

- (1) Members of the United States Armed Services, National Guard, or Armed Forces Reserves receiving a TELS award who are mobilized for active duty during a semester that is already in progress shall be granted a personal leave of absence by the eligible postsecondary institution the student is attending and shall not have their TELS award eligibility negatively impacted.
- (2) If, as a result of being mobilized, a student elects to completely withdraw from an eligible postsecondary institution, then the hours attempted during the semester will not be taken into consideration for purposes of determining future TELS award eligibility.
- (3) If due to a military mobilization the student elects to receive an “incomplete” in any or all courses, the provisions of Rule 1640-1-19-.22(13) shall apply.
- (4) Upon re-enrollment within one year following mobilization, the student’s TELS award eligibility will resume as if no break in enrollment had occurred and shall retain TELS award eligibility until the first of the following events:
 - (a) The student has earned a baccalaureate degree;
 - (b) The student has attempted at any postsecondary institution a total of one hundred twenty (120) semester hours, or if the student is enrolled in an undergraduate degree program required to be more than one hundred twenty (120) semester hours in length, that student is eligible for a total of one hundred thirty-six (136) semester hours attempted, or the number of hours required for graduation, whichever is less; or
 - (c) The sum of the number of calendar years the student attended a postsecondary institution prior to the leave of absence and the number of calendar years of attendance after the leave of absence equals five calendar years.
- (5) An eligible postsecondary institution shall be authorized to consider a request for a leave of absence from a student whose spouse, child, father or mother is mobilized for active duty as a valid basis for a personal leave of absence. This request shall be made in accordance with the provisions of this rule. If the request is granted the student shall receive the same accommodations described above.

Authority: T.C.A. §§49-4-903, 49-4-919, and 49-4-924. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.22 CALCULATION OF POSTSECONDARY CUMULATIVE GRADE POINT AVERAGE.

(Rule 1640-1-19-.22, continued)

- (1) The postsecondary cumulative grade point average used to determine eligibility for a renewal of a TELS award, must be calculated by the institution the student is attending, utilizing its institutional grading policy and must be based on all credit hours attempted after high school graduation, except as otherwise provided in this rule.
- (2) All credit hours attempted at all postsecondary institutions the student has attended after graduating from high school and their corresponding grades must be included in the calculation of the postsecondary cumulative grade point average, regardless of whether the receiving institution will apply the credit hours toward the student's degree requirements. Except as provided in subparagraph (a) of this paragraph, credit hours that were repeated shall be included in the postsecondary cumulative grade point average calculation, and are counted towards the limitation on credit hours.
 - (a) A student shall have a one time option to repeat one course and utilize only the higher of the two grades in the calculation of their postsecondary grade point average for purposes of determining continued eligibility for a TELS award. The semester hours for both attempted courses, however, will be included in the one hundred twenty (120) ~~limitation of semester hours~~ **limitation**.
 - (b) It shall be the responsibility of the student to advise the appropriate official of the eligible postsecondary institution when this option is being exercised.
- (3) Credit hours attempted prior to high school graduation, completion of a home school program in Tennessee or achieve a GED, including those attempted with the Tennessee dual enrollment grant, do not count toward the limitation on semester hours provided in Rule 1640-1-19-.12(3), nor are the grades for those classes included in the postsecondary cumulative grade point average.
- (4) Credit hours earned by examination are not eligible for payment with TELS awards and shall not be included in the postsecondary cumulative grade point average or counted towards the limitation on credit hours provided in Rule 1640-1-19-.12(3).
- (5) Credit hours attempted as part of a diploma or certificate program of study are not considered to be college credit hours and therefore shall not be included in the postsecondary cumulative grade point average or counted towards the limitation on credit hours provided in Rule 1640-1-19-.12(3), unless those hours are accepted toward a degree.
- (6) Remedial and developmental studies and independent studies courses are eligible for payment with TELS awards and shall be included in the calculation of the postsecondary cumulative grade point average and shall be counted towards the limitation on credit hours provided in Rule 1640-1-19-.12(3).
- (7) Courses in which a student enrolls as an audit student for which no college credit will be received cannot be paid with a TELS award nor will the semester hours be included in the calculation of the postsecondary cumulative grade point average or in the credit hour limitation provided in Rule 1640-1-19-.12(3).
- (8) Continuing education courses are not eligible for payment with TELS awards and shall not be included in the postsecondary cumulative grade point average or counted towards the limitation on semester hours provided in Rule 1640-1-19-.12(3).
- (9) Students who obtain a grade change shall notify the financial aid office within thirty (30) calendar days of the grade change and request reinstatement of his/her award on a form developed by the institution for this purpose. If the grade change makes the student eligible for a TELS award, the student can be awarded retroactively in the current award year. If the grade change affects the student's eligibility from the previous award year, the TELS award may be adjusted in the current

(Rule 1640-1-19-.22, continued)

award year. The eligible postsecondary institution shall make necessary reductions in the student's financial aid package if the reinstatement of a TELS award results in either an over award of need based aid or exceeds the institution's cost of attendance for any semester. If the student's application for reinstatement is denied, he/she may appeal the decision in accordance with Rule 1640-1-19-.26.

- (10) A student enrolled in a matriculating status at an eligible postsecondary institution shall qualify for TELS award payment for distance learning courses if all other eligibility requirements are met. Students may take courses through more than one eligible postsecondary institution during the same semester. Payment for the distance learning courses shall be made in the same manner as transient students as provided in Rule 1640-1-19-.24.
- (11) A student enrolled in a matriculating status at an eligible postsecondary institution may qualify for TELS award payment while participating in an internship or co-op program if the student receives college credit from the internship or co-op experience and must pay tuition and fees. The semester hours shall be included in the postsecondary cumulative grade point average and count toward the limitation on credit hours as provided in Rule 1640-1-19-.12(3).
- (12) A student enrolled in a matriculating status at an eligible postsecondary institution may qualify for TELS award payment while participating in an alternative study or study abroad program if all other eligibility requirements are met. The eligible postsecondary institution which is the student's home institution must approve the alternative study or study abroad program for credit toward the student's degree and the number of hours that will be applied toward the degree prior to the student's departure.
- (13) Courses that appear on a student's transcript as an "incomplete" shall be considered credit hours attempted. The student's TELS award eligibility, however, shall be determined by excluding the credit hours attributable to the course for which an "incomplete" has been assigned from the cumulative grade point average calculation.
 - (a) If the student fails to retain eligibility for a TELS award as a result of the calculation, but later becomes eligible when the grade for the "incomplete" course is reported, the student is eligible to receive a TELS award retroactively within the award year and shall retain eligibility. Retroactive TELS awards for previous award years shall be added to the current award year. The eligible postsecondary institution shall, however, make necessary reductions in the student's financial aid package if the reinstatement of a TELS award results in either an over award of need based aid or exceeds the institution's cost of attendance for any semester. It shall be the responsibility of the student to notify the financial aid office at the eligible postsecondary institution that a grade has been awarded and request that the TELS award be reinstated. Each eligible postsecondary institution shall develop a standard form for use by students to comply with this provision. If the student's application for reinstatement is denied, he/she may appeal the decision in accordance with Rule 1640-1-19-.26.
 - (b) If the student retains eligibility for a TELS award as a result of the calculation, but later becomes ineligible when the grade for the "incomplete" course is reported, then the student shall be ineligible for all TELS awards. Additionally, the student shall reimburse the institution for TELS awards received in the interim.
- (14) If the student is otherwise eligible to receive a TELS award, but does not receive TELS funding, or TELS funding is reduced because his or her cost of attendance is covered by other aid, all credit hours attempted that semester shall still apply to the credit hour limitation provided in Rule 1640-1-19-.12(3).

Authority: T.C.A. §§49-4-903, 49-4-924, and Public Chapter 481, Acts of 2005. **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005,

(Rule 1640-1-19-.22, continued)

expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.23 TRANSFER STUDENTS.

- (1) A TELS recipient transferring from an eligible postsecondary institution to another is eligible for a TELS award if all eligibility requirements continue to be met at the postsecondary institution at which the student is currently enrolled.
- (2) Any student who was otherwise eligible for a TELS award upon completion of high school requirements based on the applicable provisions of these rules, but who enrolled in a regionally accredited out-of-state postsecondary institution ~~upon completing high school requirements~~, may transfer to an eligible Tennessee postsecondary institution and receive a TELS awards. ~~The student must from that point be continuously enrolled in an eligible postsecondary institution and meet all eligibility and retention requirements, as provided in these rules.~~ Any such student must meet the following:
 - (a) Maintain continuous enrollment and satisfactory academic progress; and
 - (b) If enrolled full-time at the beginning of a semester, student must not drop to part-time enrollment within that semester; or
 - (c) If enrolled part-time at the beginning of a semester, student must not drop to less than part-time enrollment within that semester.
- (3) Any student who was initially eligible for a Tennessee HOPE Scholarship or HOPE Access Grant but who instead of enrolling at either an eligible 2-year or 4-year postsecondary institution enrolled at a Tennessee Technology Center and obtained the Wilder-Naifeh Technical Skills Grant and completed a diploma program is eligible for a HOPE Scholarship at either an eligible 2-year or 4-year postsecondary institution. The student must apply for a HOPE Scholarship within three (3) years of completing the diploma program.
- (4) Hours taken by a student at a Tennessee Technology Center towards a diploma shall not count under the provisions of § 49-4-913 or § 49-4-920 as semester hours attempted for the purposes of calculating the number of semester hours for which a student may receive a Tennessee HOPE Scholarship, General Assembly Merit Scholarship or Tennessee HOPE Access Grant.

Authority: T.C.A. §49-4-910, 49-4-924, ~~and~~ Public Chapter 481, Acts of 2005 *and Public Chapter 980, Acts of 2006.* **Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.24 TRANSIENT STUDENTS.

A transient student is eligible to receive a TELS award if all other eligibility requirements are met and if both the home and host institutions are eligible postsecondary institutions. The home institution shall award the TELS funds to the transient student based on certification of eligibility from the host institution. The home institution shall certify to the Corporation that the student is eligible for a TELS award. Each eligible postsecondary institution shall develop a process to effectuate each provision of this rule and shall notify its students of the process and the availability of the necessary forms to comply with the requirements. At the end of the semester the host institution shall provide the student's home institution with all information necessary for the home institution to determine continued TELS award eligibility.

(Rule 1640-1-19-.24, continued)

Authority: T.C.A. §§ 49-4-903 and 49-4-924. **Administrative History:** Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to reserved status. Original rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.25 DENIAL OF INITIAL ELIGIBILITY – FAILURE TO TIMELY ENROLL.

A student who fails to timely enroll in an eligible postsecondary institution as required by Rule 1640-1-19-.05 may be granted an exception if the student failed to meet the requirement for any reason provided for in this rule. An exception shall be granted only for medical or personal reasons. Acceptable medical or personal reasons shall include, but not be limited to, illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, to fulfill a religious commitment expected of all students of that faith, or other extraordinary circumstances beyond the student's control where timely enrollment by the student would create a substantial hardship. In the event a student's request for an exemption for failing to timely enroll is denied, the student may appeal the decision pursuant to Rule 1640-1-19-.26.

Authority: T.C.A. §§ 49-4-903 and 49-4-924. **Administrative History:** Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to reserved status. Original rule filed November 9, 2005; effective March 30, 2006.

1640-1-19-.26 APPEAL AND EXCEPTION PROCESS.

- (1) Each eligible postsecondary institution shall establish an Institutional Review Panel (IRP) for the purposes of hearing appeals from decisions denying or revoking applicants' TELS award. Each eligible postsecondary institution shall establish written procedures for an applicant or recipient to appeal a decision of an eligible postsecondary institution to deny or revoke a TELS award. These procedures shall include, but not be limited to, the establishment and composition of the IRP and the process and timelines for appeals to the IRP. Each eligible postsecondary institution shall also establish a process to ensure students applying for or receiving a TELS award are notified of the procedures to appeal the denial or revocation of a TELS award including the timeframe within which an appeal must be filed with the TELS Award Appeals Panel. No eligible postsecondary institution official rendering a decision to deny or revoke a TELS award shall participate in the appeal process for the same applicant or recipient. The IRP may award or reinstate the student's TELS award without a hearing and shall make such determination no later than fourteen (14) calendar days after an applicant or recipient properly files an appeal. If the IRP determines that a hearing is required the IRP shall hear the appeal no later than fourteen (14) calendar days after an applicant or recipient properly files an appeal. Except where exigent circumstances exist, the IRP shall render a decision no later than seven calendar days after hearing an appeal. Such decision shall be reduced to writing and shall include a summary of the pertinent facts and issues and the panel's decision and reasons for the decision. The IRP shall provide a copy of the written decision to the appellant as soon as practicable. For the purposes of this rule, it will be presumed that the decision was delivered to the appellant two calendar days after the decision was placed in the U.S. Postal Service addressed to the appellant's official mailing address according to the eligible postsecondary institution's records.
- (2) The Appeals Panel shall be appointed by the Corporation's Executive Director for purpose of hearing appeals from decisions rendered by the IRPs. No official of an eligible postsecondary institution shall sit as a member of the Appeals Panel where the denial or revocation being appealed involves such official's eligible postsecondary institution. A student seeking an appeal of a decision rendered by an IRP shall request an appeal, to include a written statement outlining the basis for the appeal as well as all pertinent information related to the appeal, with the Corporation within ~~fourteen (14)~~ **forty-five (45)** calendar days from the date that the decision was delivered to the student. A complete record of the institutional IRP hearing shall be provided to the Corporation by the student. The Appeals Panel

(Rule 1640-1-19-.26, continued)

may award or reinstate the student's TELS award without a hearing. This decision shall be made no later than 30 calendar days after an appeal is properly filed and the record from the IRP hearing is received. If the Appeals Panel determines that a hearing is required, it shall provide the appellant with notice of the hearing date, and such notice shall include the time and location of the hearing. The Appeals Panel shall hear the appeal no later than forty-five (45) calendar days after the appeal is properly filed, unless an extension is requested by the appellant and granted by the Appeals Panel. Except where exigent circumstances exist, the Appeals Panel shall render a decision no later than fourteen (14) calendar days after hearing an appeal. Such decision shall be reduced to writing and shall include a summary of the pertinent facts and issues and the panel's decision. The Appeals Panel shall provide a copy of the written decision to the appellant and the appellant's home institution as soon as practicable. The Appeals Panel is the final administrative appeal.

- (3) The authority of the IRPs and the TELS Award Appeals Panel shall be strictly limited to consideration of appeals arising from eligibility determinations made by an eligible postsecondary institution or the Corporation. Neither appeals panel shall have the authority to rule on the validity of any information provided to the eligible postsecondary institution or Corporation by another entity on which its decision to deny or revoke a TELS award was based, including, but not limited to high school grade point average, ACT or SAT scores, or grades from another eligible postsecondary institution. Additionally, neither appeals panel shall have the authority to consider requests for exceptions to the high school or collegiate grade point average.

Authority: T.C.A. § 49-4-924. **Administrative History:** Public necessity rules 1640-1-19-.01 through 1640-1-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-1-19-.01 through 1640-1-19-.26 reverted to reserved status. Original rule filed November 9, 2005; effective March 30, 2006.

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

DECISION ITEM D: **Proposed Repeal of Rules Related to the Bylaws of the Tennessee Student Assistance Corporation and Adoption of Virtually Identical Bylaws**

Staff Recommendation

- (1) That the Tennessee Student Assistance Corporation repeals Rule 1640-1-5 (bylaws of the Tennessee Student Assistance Corporation).
- (2) That the Tennessee Student Assistance Corporation adopts identical bylaws to those formerly adopted as Rule 1640-1-5, except not pursuant to the formal “rulemaking” requirements under Tennessee law.

Background

The Tennessee Attorney General’s Office has advised TSAC that its bylaws should not be adopted in the form of official “rules” filed with the Secretary of State, primarily because the Tennessee Student Assistance Corporation lacks rulemaking authority under Tennessee law to promulgate its bylaws as rules. Therefore, it recommends that TSAC repeal Rule 1640-1-5 (bylaws of the Tennessee Student Assistance Corporation).

Therefore, repeal of Rule 1640-1-5 is proposed by TSAC and simultaneous adoption by TSAC of bylaws virtually identical to those which had been previously adopted in rule format. It should be noted however, that the new bylaws being adopted, in Section VI. A., provide that the annual meeting of TSAC shall be during the month of September (rather than June, as stated in the current rule), consistent with the TSAC Board’s decision at the March 23, 2006 Board meeting.

Supporting Documents

E-mail message of Assistant Attorney General Juan Villaseñor, July 13, 2006.

Rules of the Tennessee Student Assistance Corporation, Chapter 1640-1-5, Bylaws of the Tennessee Student Assistance Corporation, December, 2002.

Proposed Bylaws of the Tennessee Student Assistance Corporation, September 28, 2006.

From: Juan Villaseñor
To: Bain, Thomas
Date: 7/13/2006 11:10:18 AM
Subject: Re: Fwd: 2006 Proposed Rules - 1640-01-05

Tom,

I've reviewed the TSAC's bylaws rules and the enabling statute granting it rulemaking authority. After discussing this matter with Dianne, it is our advice that TSAC repeal chapter 1640-1-5 in its entirety. The principal reason for this is that TSAC lacks rulemaking authority to promulgate its bylaws as rules. Section 49-4-204 only allows TSAC to promulgate rules "governing the making and the guaranteeing of student or parent loans and the making of awards of financial assistance to students." Bylaws, which are TSAC's board's internal operating procedures, have nothing to do with making and guaranteeing student of parent loans.

As a practical matter, TSAC's bylaws rules are also internally inconsistent and cumbersome. For instance, the board has amended the bylaws by following the procedure set forth in rule 1640-1-5-.09. One would imagine that the amendment is effective once the board votes as stated in the bylaw. Yet, because the bylaws are in rule form, the board's amendment is really not effective. It will not be effective until the rule itself is amended. So, although the board amended its bylaws, it really didn't, at this time.

Repealing these rules does not mean that TSAC's bylaws will cease to exist; they will just not be in rule form. Let me know if you have any questions about this matter.

Juan G. Villaseñor
Assistant Attorney General
GENERAL CIVIL DIVISION
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>>> Thomas Bain 7/13/2006 8:51 AM >>>

Juan,

Attached are documents we have prepared relative to a rule change regarding the TSAC bylaws. I think the second document attached is the only one you actually need but the other two provide you with a better picture of what has been done.

Can you confirm that these documents are in good shape for us to circulate in quadruplicate for signatures, approvals (i.e., Dr. Rhoda, General Summers and the Secretary of State)?

I'd appreciate your response before you leave since it will help me greatly with my preparation of several other rule changes that need to be done over the next month.

Thanks.

Tom
7/13/06

CC: Dycus, Dianne

**RULES
OF
TENNESSEE STUDENT ASSISTANCE CORPORATION**

**CHAPTER 1640-1-5
BYLAWS OF THE TENNESSEE STUDENT ASSISTANCE CORPORATION**

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1640-1-5-.01 NAME. The name of the Corporation shall be the Tennessee Student Assistance Corporation.

Authority: T.C.A. §49-5004. *Administrative History:* Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed June 11, 1980; effective September 29, 1980.

1640-1-5-.02 PRINCIPAL OFFICE. The principal office of the Corporation shall be maintained in Nashville-Davidson County-Tennessee.

Authority: T.C.A. §49-5004. *Administrative History:* Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed June 11, 1980; effective September 29, 1980.

1640-1-5-.03 PURPOSE. The purpose of the Corporation shall be to administer State supported programs of student financial aid in conformity with Acts of the Tennessee General Assembly and applicable Federal laws and regulations and to perform such other duties as may from time to time be required by the General Assembly or the Governor of Tennessee.

Authority: T.C.A. §49-5004. *Administrative History:* Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed June 11, 1980; effective September 29, 1980.

1640-1-5-.04 DIRECTORS.

- (1) The Corporation shall be governed by a board of directors as prescribed by the General Assembly.
- (2) Directors authorized to do so by the General Assembly may designate to alternate representative and delegate to the alternate full authority to vote on or participate in any corporate business. Provided, however, that no alternate may serve beyond the term of the designating director. Further provided, that any director who chooses to terminate his designation of an alternate or to designate another individual shall file notices in writing with the chairman of the board of directors, the executive director of the Corporation, and the Secretary of State, at least ten (10) days prior to the next scheduled board meeting.
- (3) Each director shall be entitled to cast one vote on any business coming before the board.
- (4) Directors shall serve without remuneration, but shall be entitled to reimbursement for expenses incurred in attending meetings of the board of directors. Expenses for attending meetings shall be paid in conformity with regulations governing travel expenses of state officials.

Authority: T.C.A. §49-5004. *Administrative History:* Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed June 11, 1980; effective September 29, 1980.

1640-1-5-.05 OFFICERS.

- (1) The Corporation's officers shall consist of a Chairman, Vice-Chairman, Secretary, and Treasurer, each elected by the directors of the Corporation from among their own number.
- (2) The term of office of all officers shall be one (1) year with elections to be held at the annual meeting. Provided, however, that each officer shall serve until a successor has been duly elected. In the event of an officer's death, resignation, or cessation of membership on the board of directors before the expiration of the term for which he was elected, a special election shall be held at the next board meeting to fill the remaining portion of the unexpired term.
- (3) The Chairman shall preside at all meetings of the board of directors and shall perform such other duties as pertain to the office. The Chairman shall be an ex-officio member of all committees of the Corporation.
- (4) The Vice-Chairman shall, in the absence of the Chairman, preside at meetings of the board of directors and shall perform such other duties as may be required by the Chairman.
- (5) The Secretary shall in the absence of the Chairman and Vice-Chairman preside at meetings of the board of directors. Under the direction of the Secretary, minutes shall be kept of all meetings of the board. Copies of the minutes of each meeting shall be mailed at the direction of the Secretary to the other members of the board promptly after such meeting is held, and the minutes shall be read (unless such reading is waived on motion) and approved at the next succeeding meeting of the board of directors as one of the first items of business.
- (6) The board of directors may employ an Executive Director who shall represent the Corporation between board meetings and shall conduct the business of the Corporation in conformity with the bylaws and the Rules and Regulations established by the board of directors and by applicable Federal and State laws and regulations. The Executive Director shall hire, supervise, and dismiss such other personnel as may be employed by the Corporation, in conformity with the regulations, policies, and procedures of the Tennessee Department of Personnel and budgetary policies of the Tennessee Department of Finance and Administration. The Executive Director is authorized to approve the disbursement of funds for administrative purposes and for program operations. The Executive Director shall endorse all student loan notes insured by the Corporation and is authorized to execute contracts on behalf of the Corporation. The disbursement and contracting functions shall be exercised in conformity with policies and procedures of the Tennessee Department of General Services, the Tennessee Department of Finance and Administration, and applicable acts of the General Assembly. The Executive Director shall be the Corporation's registered agent pursuant to the Tennessee General Corporation Act and shall be so designated and registered with the Secretary of State. The Executive Director shall prepare an annual report of the activities and finances of the Corporation and shall distribute same to members of the board of directors, lenders participating in the programs of the Corporation, and other persons expressing an interest in the Corporation.

Authority: T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed June 11, 1980; effective September 29, 1980.

1640-1-5-.06 MEETINGS.

- (1) The board of directors shall meet at least once each fiscal year during the month of June, and may meet at such other times as the Chairman may designate. Notice of meetings shall be in writing and mailed to each member at least ten (10) days prior to the meeting and shall state the date, time, place and subject matter of the meeting.
- (2) An agenda for each meeting of the board of directors shall be prepared by the Executive Director with the approval of the Chairman setting forth in outline, each matter of business to be conducted at

(Rule 1640-1-5-.06, continued)

the meeting. Such agenda shall be mailed to the directors at least ten (10) days before each meeting. Matters not on the agenda can be considered if approved by two-thirds vote of those present.

- (3) The Secretary may call a meeting, if said Secretary receives the request in writing of at least three (3) directors to call such meeting on at least five (5) days written notice setting forth the time, place, and purpose of the meeting.
- (4) A quorum of the board of directors shall consist of six (6) members. All action of the board shall be by vote of the majority of those members present and voting. No proxies or mail absentee voting shall be permitted.

Authority: T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed June 11, 1980; effective September 29, 1980.

1640-1-5-.07 COMMITTEES. There may be committees of the board appointed by the Chairman from among its members. Such committees shall make recommendations to the board of directors but shall have no power to act upon its behalf.

Authority: T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed June 11, 1980; effective September 29, 1980.

1640-1-5-.08 PARLIAMENTARY AUTHORITY. The rules contained in the most recent edition of Robert's Rules of Order shall govern the activities of the board of directors in all cases to which they are applicable and in which they are not inconsistent with these bylaws, applicable Acts of the Tennessee General Assembly, and any special rules of order the board may choose to adopt.

Authority: T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed June 11, 1980; effective September 29, 1980.

1640-1-5-.09 AMENDMENT OF BYLAWS. These bylaws may be amended when a majority of the board of directors has voted for any proposed changes, additions, or deletions at two successive meetings.

Authority: T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed June 11, 1980; effective September 29, 1980.

1640-1-5-.10 REPEALED.

Authority: T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Repealed: filed June 11, 1980; effective September 29, 1980.

1640-1-5-.11 REPEALED.

Authority: T.C.A. §49-5004. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Amendment filed June 11, 1980; effective September 29, 1980.

PROPOSED BYLAWS OF THE TENNESSEE STUDENT ASSISTANCE CORPORATION
September 28, 2006

- I. NAME.** The name of the Corporation shall be the Tennessee Student Assistance Corporation.
- II. PRINCIPAL OFFICE.** The principal office of the Corporation shall be maintained in Nashville-Davidson County-Tennessee.
- III. PURPOSE.** The purpose of the Corporation shall be to administer State supported programs of student financial aid in conformity with Acts of the Tennessee General Assembly and applicable Federal laws and regulations and to perform such other duties as may from time to time be required by the General Assembly or the Governor of Tennessee.
- IV. DIRECTORS.**
- A. The Corporation shall be governed by a board of directors as prescribed by the General Assembly.
 - B. Directors authorized to do so by the General Assembly may designate to alternate representative and delegate to the alternate full authority to vote on or participate in any corporate business. Provided, however, that no alternate may serve beyond the term of the designating director. Further provided, that any director who chooses to terminate his designation of an alternate or to designate another individual shall file notices in writing with the chairman of the board of directors, the executive director of the Corporation, and the Secretary of State, at least ten (10) days prior to the next scheduled board meeting.
 - C. Each director shall be entitled to cast one vote on any business coming before the board.
 - D. Directors shall serve without remuneration, but shall be entitled to reimbursement for expenses incurred in attending meetings of the board of directors. Expenses for attending meetings shall be paid in conformity with regulations governing travel expenses of state officials.
- V. OFFICERS.**
- A. The Corporation's officers shall consist of a Chairman, Vice-Chairman, Secretary, and Treasurer, each elected by the directors of the Corporation from among their own number.
 - B. The term of office of all officers shall be one (1) year with elections to be held at the annual meeting. Provided, however, that each officer shall serve until a successor has been duly elected. In the event of an officer's death, resignation, or cessation of membership on the board of directors before the expiration of the term for which he was elected, a special election shall be held at the next board meeting to fill the remaining portion of the unexpired term.
 - C. The Chairman shall preside at all meetings of the board of directors and shall perform such other duties as pertain to the office. The Chairman shall be an ex-officio member of all committees of the Corporation.
 - D. The Vice-Chairman shall, in the absence of the Chairman, preside at meetings of the board of directors and shall perform such other duties as may be required by the Chairman.
 - E. The Secretary shall in the absence of the Chairman and Vice-Chairman preside at meetings of the board of directors. Under the direction of the Secretary, minutes shall be kept of all meetings of the

BYLAWS OF THE TENNESSEE STUDENT ASSISTANCE CORPORATION

board. Copies of the minutes of each meeting shall be mailed at the direction of the Secretary to the other members of the board promptly after such meeting is held, and the minutes shall be read (unless such reading is waived on motion) and approved at the next succeeding meeting of the board of directors as one of the first items of business.

- F. The board of directors may employ an Executive Director who shall represent the Corporation between board meetings and shall conduct the business of the Corporation in conformity with the bylaws and the Rules and Regulations established by the board of directors and by applicable Federal and State laws and regulations. The Executive Director shall hire, supervise, and dismiss such other personnel as may be employed by the Corporation, in conformity with the regulations, policies, and procedures of the Tennessee Department of Personnel and budgetary policies of the Tennessee Department of Finance and Administration. The Executive Director is authorized to approve the disbursement of funds for administrative purposes and for program operations. The Executive Director shall endorse all student loan notes insured by the Corporation and is authorized to execute contracts on behalf of the Corporation. The disbursement and contracting functions shall be exercised in conformity with policies and procedures of the Tennessee Department of General Services, the Tennessee Department of Finance and Administration, and applicable acts of the General Assembly. The Executive Director shall be the Corporation's registered agent pursuant to the Tennessee General Corporation Act and shall be so designated and registered with the Secretary of State. The Executive Director shall prepare an annual report of the activities and finances of the Corporation and shall distribute same to members of the board of directors, lenders participating in the programs of the Corporation, and other persons expressing an interest in the Corporation.

VI. MEETINGS.

- A. The board of directors shall meet at least once each fiscal year during the month of September, and may meet at such other times as the Chairman may designate. Notice of meetings shall be in writing and mailed to each member at least ten (10) days prior to the meeting and shall state the date, time, place and subject matter of the meeting.
- B. An agenda for each meeting of the board of directors shall be prepared by the Executive Director with the approval of the Chairman setting forth in outline, each matter of business to be conducted at the meeting. Such agenda shall be mailed to the directors at least ten (10) days before each meeting. Matters not on the agenda can be considered if approved by two-thirds vote of those present.
- C. The Secretary may call a meeting, if said Secretary receives the request in writing of at least three (3) directors to call such meeting on at least five (5) days written notice setting forth the time, place, and purpose of the meeting.
- D. A quorum of the board of directors shall consist of six (6) members. All action of the board shall be by vote of the majority of those members present and voting. No proxies or mail absentee voting shall be permitted.

- VII. COMMITTEES.** There may be committees of the board appointed by the Chairman from among its members. Such committees shall make recommendations to the board of directors but shall have no power to act upon its behalf.

- VIII. PARLIAMENTARY AUTHORITY.** The rules contained in the most recent edition of Robert's Rules of Order shall govern the activities of the board of directors in all cases to which they are applicable and in which they are not inconsistent with these bylaws, applicable Acts of the Tennessee General Assembly, and any special rules of order the board may choose to adopt.

BYLAWS OF THE TENNESSEE STUDENT ASSISTANCE CORPORATION

IX. AMENDMENT OF BYLAWS. These bylaws may be amended when a majority of the board of directors has voted for any proposed changes, additions, or deletions at two successive meetings.

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 23, 2006

DECISION ITEM E: Proposed Budget Request for 2007-08

Staff Recommendation

- (1) That the Tennessee Student Assistance Corporation recommends 2007-08 funding levels as presented in the document entitled *Tennessee Student Assistance Corporation Budget Request for 2007-08*, September 28, 2006.
- (2) That the Tennessee Student Assistance Corporation authorizes its Executive Director to make any necessary technical corrections.

Background

The Tennessee Student Assistance Corporation is required to submit its budget request to the State Budget Division by October 1, 2006.

The attached document lists recommended funding improvements in several programs administered by the corporation.

Increases are requested in order for the programs and agency administration support to keep pace with recent tuition/fee increases and to increase the number of students served.

Supporting Document

Tennessee Student Assistance Corporation Budget Request for 2007-08, September 28, 2006.

Tennessee Student Assistance Corporation
Budget Request for 2007-08

September 28, 2006

Tennessee Student Assistance Corporation
Parkway Towers, Suite 1950
404 James Robertson Parkway
Nashville, Tennessee 37243-0820
(615) 741-1346

www.CollegePaysTN.com

Tennessee Student Assistance Corporation Budget Request for 2007-08

September 28, 2006

2007-08 Budget Request Summary

<u>Priority</u>	<u>Amount</u>	<u>Source</u>	<u>Initiative</u>
1	\$2,120,700	State	Restore Previous TSAA Funding Reductions
2	\$17,263,100	State	Increase TSAA Funding to Address Tuition Increases
3	\$175,600	Federal	Loan Program Business Development
4	\$232,200	State	Maintain Tennessee Teaching Scholars Program
5	\$120,000	State	Expand Ned McWherter Scholars Program
6	\$232,000	State	Maintain Minority Teaching Fellows Program
7	\$12,468,700	State	Support all Eligible TSAA Applicants
8	\$77,500	TBD	Adopt Compensation Taskforce Recommendations

Priority 1: Restore Previous TSAA Funding Reductions

The Tennessee Student Assistance Award Program is Tennessee's primary need-based financial aid program for helping low-income students attend Tennessee higher educational institutions. State support for this program was reduced \$4,220,700 in 2003-04. In 2006-07, \$2,100,000 of this amount was restored, leaving an additional \$2,120,700 to be returned to the program. \$2,120,700 would fund an additional 1,032 students at the average award amount of \$2,055.

\$45,429,200	2002-03 State Appropriation
(43,308,500)	2006-07 State Appropriation
\$2,120,700	Shortfall not yet Restored

STATE FUNDS: \$2,120,700.

Priority 2: Increase TSAA Funding to Address Tuition Increases

TSAA is intended to offset the cost of tuition, which means program funding should keep pace with tuition increases. However, funding has not kept pace with tuition increases and is currently below the 2002-03 funding level. The Tennessee Higher Education Commission estimates that university tuition has increased 38% over the four years since 2002-03. Applying that same 38% increase to the TSAA program suggests that current funding should be at the \$62,692,300 level. Reaching that level will require increased state support of \$17,263,100, in addition to the adjustment described in Priority 1. \$17,263,100 would fund an additional 8,400 students at the average award amount of \$2,055.

\$45,429,200	2002-03 Funding Level
<u> x 1.38 </u>	Tuition Price Increase Factor
\$62,692,300	Necessary Inflation-adjusted Funding Level
<u>(43,308,500)</u>	Current funding level (2006-07)
\$19,383,800	Necessary Increase
<u>(2,120,700)</u>	Included in Previous Priority
\$17,263,100	Necessary Increase for this Priority

STATE FUNDS: \$17,263,100

**Tennessee Student Assistance Award Program
2006-07 Projections and 5-Year History**

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
Last Date for Award Eligibility						
TSAA	June 15	June 14	April 23	March 22	March 15	March 1
Atchley Opportunity Grant	June 15	May 13	March 1	March 5	March 15	March 1
Funding:						
State	\$ 38,465,400	\$ 45,429,200	\$ 41,208,500	\$ 41,208,500	\$ 41,208,500	\$ 41,208,500
Additional State						2,100,000
Federal (LEAP)	490,338	488,735	540,833	523,867	486,843	487,154
Federal (SLEAP)	<u>508,787</u>	<u>1,242,817</u>	<u>1,787,266</u>	<u>802,160</u>	<u>808,011</u>	<u>819,708</u>
Sub Total	39,464,525	47,160,752	43,536,599	42,534,527	42,503,354	44,615,362
Less Dependent Children	<u>(50,000)</u>	<u>(56,019)</u>	<u>(70,000)</u>	<u>(94,885)</u>	<u>(133,456)</u>	<u>(250,000)</u> est
Available Funds for TSAA	\$ 39,414,525	\$ 47,104,733	\$ 43,466,599	\$ 42,439,642	\$ 42,369,898	\$ 44,365,362 est
Students Offered Aid	36,460	42,018	31,923	30,103	24,286	
Students Received Aid	25,893	28,657	23,303	22,917	18,713	
Received / Offered	71.0%	68.2%	73.0%	76.1%	77.1%	
Awards Committed	\$ 58,630,039	\$ 79,967,161	\$ 61,790,447	\$ 61,418,748	\$ 54,886,337	\$ 57,400,000
Actual Expenditures	\$ 37,320,053	\$ 45,710,007	\$ 41,833,378	\$ 42,645,415	\$ 38,447,877 est	\$ 41,000,000 est
Expenditures / Committed	63.7%	57.2%	67.7%	69.4%	70.0%	71.4%
Year-End Balance	2,094,472	1,394,726	1,633,221	(205,773)	3,922,021	3,365,362 est
% Over-commitment	148.8%	169.8%	142.2%	144.7%	129.5%	140.0%
% Available Funds Spent	94.7%	97.0%	96.2%	100.5%	90.7%	92.4%
Average Offer Amount	1,608	1,903	1,936	2,040	2,260	
Average Expenditure Amount	1,441	1,595	1,795	1,861	2,055	
<u>Effect on TSLP Reserve</u>						
Beginning Balance July 1	\$ 6,550,535	\$ 6,940,799	\$ 7,255,577	\$ 9,225,574	\$ 8,676,184	\$ 11,337,805 est
Interest Earned/F&A year-end adjustment	51,264	68,216	144,897	144,483	145,000 est	145,000 est
Year-end Amount from Program (above)	2,094,472	1,394,726	1,633,221	(205,773)	3,922,021	3,365,362 est
Prior Year Collections	169,500	98,281	191,879	134,212	94,600	95,000 est
Reversion-TSAA (1)	<u>(1,924,972)</u>	<u>(1,246,445)</u>	<u>-</u>	<u>(622,312)</u>	<u>(1,500,000)</u> est	<u>(1,500,000)</u> est
Ending Balance June 30	\$ 6,940,799	\$ 7,255,577	\$ 9,225,574	\$ 8,676,184	\$ 11,337,805	\$ 13,443,167 est
Less Federal Component	<u>(4,115,434)</u>	<u>(4,178,129)</u>	<u>(4,286,931)</u>	<u>(4,377,741)</u>	<u>(4,436,140)</u>	<u>(4,524,513)</u> (2)
Reserve Available to TSAA	\$ 2,825,365	\$ 3,077,448	\$ 4,938,643	\$ 4,298,443	\$ 6,901,665	\$ 8,918,654 est
Memo: Annual Financial Report Amount	\$ 6,940,799	\$ 7,255,577	\$ 9,225,574	\$ 8,676,184		

(1) In 2004-05 an additional \$615,500 was reverted from administrative funds, bringing the total 2004-05 reversion to \$1.2 million

(2) Assumes same interest earnings as 2006.

Priority 3: Loan Program Business Development

TSAC's Loan Administration Department is requesting a budget expansion of \$175,600 for two (2) Business Development Consultants. These employees will work in assisting the agency in developing an understanding of what schools need, designing processes that will meet those needs, assisting with implementation, and other responsibilities including those outlined below. Funding for these positions would come from the Tennessee Student Loan Program Reserve.

The requested Business Development Officers will be higher level employees who understand how a financial aid office works and can translate that knowledge into products and services that make TSAC a better business support partner. The need for these positions has grown out of strong recommendations from our school community.

These positions are greatly needed to focus on the following:

1. Interface with school administrators to assist TSAC in maintaining or improving our current level of services
2. Understand and translate to TSAC needed services that schools request
3. Develop and handle traditional marketing activities to showcase TSAC's programs and services
4. Receive clarification on new ideas and product offerings that TSAC may be considering

Benefits of these positions to Tennessee and TSAC include:

- Enhancement of the services TSAC provides as a loan guarantor to allow a greater level of financial aid awareness to the citizens, schools and lenders in Tennessee
- More efficient, comprehensive one-stop shopping service for scholarships, grants, loans and Lottery services to schools in Tennessee

FEDERAL FUNDS: \$175,600

Priority 4: Maintain Tennessee Teaching Scholars Program

The Tennessee Teaching Scholars Program currently provides \$4,500 awards to 189* future teachers. The annual state appropriation of \$611,000 has been unchanged since 2002-03. It has been augmented by other funds, primarily repayments from program participants who do not keep their teaching obligation.

In order to maintain its impact on Tennessee students, funding for the program must keep pace with tuition price increases.

The Tennessee Higher Education Commission estimates that university tuition has increased 38% over the four years since 2002-03. Applying that same 38% increase to the Tennessee Teaching Scholars Program suggests that the \$611,000 funding level should be increased by \$232,200. Doing so will fund an additional 27 students and increase the award amount to \$5,000.

DRAFT

STATE FUNDS: \$232,200

	<u>Applications</u>	<u>Recipients</u>	<u>Award Amount</u>	<u>State Appropriation</u>	<u>Other** Funds</u>	<u>Total Funds</u>
2002-03	460	201	\$4,200	\$611,000	\$192,000	\$803,000
2003-04	416	206	\$4,200	\$611,000	\$147,600	\$758,600
2004-05	561	218	\$4,200	\$611,000	\$233,200	\$844,200
2005-06	528	150	\$4,500	\$611,000	\$133,600	\$744,600
2006-07	360	189*	\$4,500	\$611,000	\$176,600	\$787,600

* This figure (189 recipients) is current as of September 2006. As the year progresses, some of these students may not use their awards and the year-end number of recipients may drop below 189.

** Primarily student repayments. The 2006-07 amount is estimated based on 4-year average.

Priority 5: Expand Ned McWherter Scholars Program

The Ned McWherter Scholars Program is Tennessee's most prestigious merit-based scholarship program, designed to help keep Tennessee's best and brightest students within the State. Entering freshmen must have a 3.5 high school GPA and a 29 ACT to even apply, and of these, only one in five is selected.

The State's investment in this program is enhanced by the fact that universities match the state's contribution. Ned McWherter Scholars receive \$3,000 from the State of Tennessee and a matching \$3,000 from the university they attend.

In 2006-07, Tennessee was able to fund only 185 of the 981 highly qualified Ned McWherter Scholar applicants. Increasing this figure by 40 students would require \$120,000 in new State funds, which would generate an additional \$120,000 of institutional matching funds.

STATE FUNDS: \$120,000

	<u>Applicants</u>	<u>Recipients</u>	<u>Award Amount</u>	<u>Appropriation</u>
2002-03	657	197	\$3,000	\$251,800
2003-04	690	172	\$3,000	\$251,800
2004-05	860	171	\$3,000	\$401,800
2005-06	976	165	\$3,000	\$401,800
2006-07	981	185*	\$3,000	\$401,800

* This figure (185 recipients) is current as of September 2006. As the year progresses, some of these students may not use their awards and the year-end number of recipients may drop below 185.

Priority 6: Maintain Minority Teaching Fellows Program

The Tennessee Minority Teaching Fellows Program provides \$5,000 awards to 116 students. The award amount has been \$5,000 since the program's inception in 1989.

In 1989, \$5,000 was a significant award. At that time, tuition and fees at most public universities totaled less than \$1,500 a year, so the \$5,000 award was sufficient to cover all costs of attendance, including room and board. Today, the total cost of attendance at a public university is well over \$15,000.

Restoring purchasing power by increasing the award from \$5,000 to \$15,000 would require an additional \$1,160,000. TSAC proposes spreading out that increase over five years, which would translate into an additional \$232,000 in the first year.

STATE FUNDS: \$232,000

	<u>Applicants</u>	<u>Recipients</u>	<u>Award Amount</u>	<u>Appropriation</u>
2002-03	215	114	\$5,000	\$580,000
2003-04	276	116	\$5,000	\$580,000
2004-05	327	115	\$5,000	\$580,000
2005-06	230	113	\$5,000	\$580,000
2006-07	177	116 *	\$5,000	\$580,000

* This figure (116 recipients) is current as of September, 2006. As the year progresses, some of these students may not use their awards and the year-end number of recipients may drop below 116.

Priority 7: Support All Eligible TSAA Applicants

The Tennessee Student Assistance Award Program is Tennessee's primary need-based financial aid program for helping low-income students attend Tennessee higher educational institutions. For the last several years, however, funds have not been available to serve all eligible students.

In 2006-07, available funds were exhausted two months before the published May 1 application deadline and 21,700 eligible students were not served. These unserved eligible students actually outnumbered those who *were* served. Providing the average \$2,055 award to each of these 21,700 unserved students would require \$44,593,500. However, experience tells us that only about 15,500 of the 21,700 eligible students would actually accept and use their award, which reduces the actual need for additional funding to \$31,852,500.

A portion of the \$31,852,500 is addressed in Priorities 1 and 2, leaving \$12,468,700 to be addressed here.

\$31,852,500	Funding Needed to Serve all Eligible Applicants
(2,120,700)	Included in Priority 1
<u>(17,263,100)</u>	Included in Priority 2
\$12,468,700	Necessary Increase for this Priority

STATE FUNDS: \$12,468,700

Priority 8: Adopt Compensation Taskforce Recommendations

In May 2006, a four-month study of TSAC compensation and position classifications was begun by a taskforce made up of TSAC's internal auditor, TSAC's chief personnel officer, a member of the TSAC Board of Directors, and representatives of the Tennessee Department of Personnel.

DRAFT

The taskforce was asked to review all positions at TSAC relative to each other and to similar positions in other state agencies to determine whether or not adjustments in compensation and/or classification were appropriate.

The taskforce reviewed "Position Classification Questionnaires," which had been prepared by all employees and their supervisors, and met individually with division directors, managers, and selected staff.

The taskforce's DRAFT final report calls for a number of salary adjustments at a total cost of \$77,500. The adjustments would be funded through a yet-to-be-determined combination of state, lottery, and federal resources. Funding this initiative will allow TSAC to correct salary inequities and fund its staff at levels appropriate for state government.

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

Decision Item F:

Proposed Rehabilitation Loan Program Changes

Staff Recommendation

That the Loan Administration staff of TSAC be instructed to solicit bids under an RFP process to lenders (at least two vendors would be selected) to purchase loans of the agency that become eligible for the Loan Rehabilitation Program.

Background

Market forces now allow for increased competition for guarantors to sell loans to lenders at a premium. The U. S. Department of Education requires guarantors to have a rehabilitation program. In general terms, a borrower is eligible to participate in a rehabilitation program if he/she makes nine voluntary, on-time, monthly payments. One primary benefit to the borrower is that he/she is also eligible for reinstatement of Title IV funds. Another benefit is that the borrower's credit history is remedied.

TSAC has held a long-standing relationship with EdSouth for this service at par value. The rehabilitated loan volume for last year totaled \$19.1 million. Our last six (6) cycles represent a total of \$23.1 million. TSAC estimates that earnings from a premium for this potential new service could be \$300,000 to \$500,000 annually.

Research indicates that these earnings will not be revenue-shared with U. S. Department of Education unlike other business activities between TSAC and U. S. Department of Education. These funds will go directly into TSAC's Operating Fund to be reinvested in serving students in Tennessee.

Under a competitive bid process, TSAC will be able to maximize these earnings. The bid process will also place a managerial responsibility upon TSAC to ensure that re-delinquencies or re-defaults will be kept to a minimum. If the lender does not manage these rehabilitated loans properly, TSAC bears a risk, similar to all FFELP loans, that the earnings on these loans will be offset against the cost of claims and reinsurance.

Collection costs of up to 18% are assessed to a borrower's account when a loan has been selected for rehabilitation. If the borrower's account then goes into default (usually 270 days after the account first becomes delinquent), TSAC would bear a risk similar to other FFELP loans (18% collection costs and any accrued interest). The risk component to TSAC is from 2% to 5% of the balance. TSAC's goal would be to ensure that the RFP process is managed so that the vendor(s) selected are actively managing their delinquent portfolio.

Supporting Document

None

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

DECISION ITEM G: **Tennessee Student Assistance Award Program Taskforce Preliminary Recommendations**

Staff Recommendation

- (1) That the Tennessee Student Assistance Corporation accepts the recommendations of the TSAA Task Force, namely:
 - (a) Continue administering TSAA as a centralized program, rather than adopting a decentralized model.
 - (b) Advance the “Priority Application Date” for the TSAA program from May 1 to March 1.
 - (c) Consolidate the TSAA award amount payment schedule from one with hundreds of cells to one with a small number of cells.
 - (d) Vary the TSAA award amounts in the payment schedule so that there is more differentiation between cells.
- (2) That the Tennessee Student Assistance Corporation asks the TSAA Taskforce to work toward 2008-09 implementation of TSAA program changes, with a progress report to be presented to the Board at its Spring, 2007 meeting.

Background

The Tennessee Student Assistance Award (TSAA) Program is Tennessee’s primary need-based grant program. Available TSAA resources for 2006-07 total about \$44.4 million.

The state appropriation for this program increased five percent in 2006-07 after remaining constant over the previous three years. The state appropriation remains five percent below its peak of \$45.4 million in 2002-03.

Rising tuition/fee levels have created additional need over the last five years. As a result of the combined effects of increased award amounts and decreased funding, the number of students served has decreased.

At the Board’s September 19, 2005 meeting, the Chair asked that a small taskforce be assembled to review the TSAA program and

to make recommendations to the full board. The group was asked to address eligibility requirements, application deadline dates, and the formula used to determine award amounts. The purpose was to determine if, in an environment of limited resources, existing resources could be better-targeted.

Supporting Document

*Tennessee Student Assistance Award Program Taskforce
Preliminary Recommendations, September 28, 2006.*

Tennessee Student Assistance Award Program Taskforce
Preliminary Recommendations

September 28, 2006

Tennessee Student Assistance Corporation
Parkway Towers, Suite 1950
404 James Robertson Parkway
Nashville, Tennessee 37243-0820
(615) 741-1346

www.CollegePaysTN.com

Contents of Update

- Summary of TSAA Taskforce charge and progress
- Presentation of financial aid package scenarios within centralized and decentralized models
- List of pros and cons for centralized and decentralized models
- Recommendation from the TSAA Taskforce
- Appendix of current, centralized and decentralized financial aid packages for private and public institutions

SUMMARY**Charge**

The TSAA Program Taskforce has been asked to review TSAA program eligibility requirements, application deadline dates, and the formula used to determine award amounts; and to recommended changes.

Members

Russ Deaton - Tennessee Higher Education Commission, Financial Policy Analyst
Naomi Derryberry - Tennessee Student Assistance Corporation, Current Director of the TSAA Program
William Doyle - Vanderbilt University-Peabody College, Public Policy Researcher
Jeff Gerkin - The University of Tennessee Financial Aid Director
Gregory Schutz - Tennessee Board of Regents Institutional Researcher

Problems

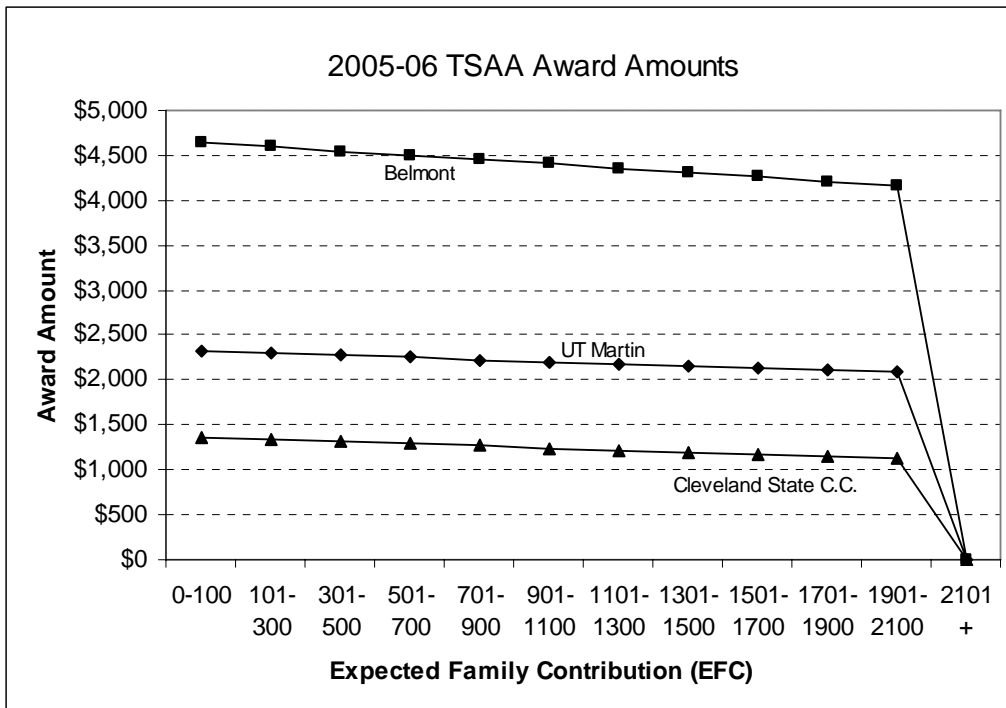
The state appropriation for TSAA decreased five percent over the last five years, while awards have increased with rising tuition. Award amounts have not kept pace with tuition/fee inflationary increases, and many eligible applicants have been turned away.

Available resources have not been adequate to provide full awards to all eligible students. A “first-come, first-served” approach has provided full awards to early applicants, and no award to other eligible applicants. Many students who meet the application deadline date are nevertheless told that they have applied too late – all funds are exhausted. The last date for TSAA award eligibility has advanced from June 14 in 2002-03 to March 1 in 2006-07.

Among award recipients, there is little differentiation in award amounts between the very poor (those with an expected family contribution or “EFC” of zero) and those who are nearly too well-off to qualify (those with an EFC of 2100).

Award eligibility ends abruptly, as family financial strength increases minimally. A person with an EFC of 2101 or greater would receive no award, while a very similar person with an EFC of 2100 would receive \$1,170 at a public community college, \$924 at a Technology Center, \$2,082 at a private career college, \$2,082 at a public university, and \$4,164 at a private university.

The graph below shows, for three sample institutions, how award amounts vary by EFC. Recall that as EFC increases, so too does the financial strength of the family. Low EFC means low income.



Current Progress

The TSAA Taskforce has met twice with the Board to discuss revisions of the TSAA grant.

The TSAA Taskforce defined the task and provided guiding principles for revision of the TSAA Grant at the March, 2006 Board meeting.

The priority application date for students applying for the TSAA Grant was moved from May 1 to March 1 for the 2007-08 academic year (This date appears on the FAFSA).

TSAA Taskforce provided five general models at the June Board meeting, including current model, two centralized, and two decentralized models.

TSAA Taskforce was tasked at the June, 2006 Board meeting with providing clear information to the Board on the centralized and decentralized options for revisions to the TSAA Grant.

Current Goals Apply TSAC Board and TSAA Taskforce principles to arrive at a new formula.

Finalize choice of centralized or decentralized model with the TSAC Board (details on the model and checks to make sure that the model follows both Board and Taskforce principles will be completed based on this decision).

Document the reason for and impact of the change in the TSAA formula.

Work within constraints of varying awards, partial funding, and yearly funding to provide an award that is meaningful as well as predictable in both award amount and award application date.

Timeline

Fall 2006: Decision on centralized or decentralized model.

Fall 2006 and Spring 2007: Development of model specifications.

Fall 2007: Decision on new formula and communicate changes to high schools.

January 2008: Implement new formula for Fall 2008 entrants.

Principles

Needy Students – TSAA is a program of access defined by needy students.

Defined by EFC – Expected Family Contribution is the measure that defines needy students.

Comparable Support of Various Sectors – A new formula will not shift resources from one higher educational sector to another, for example, from private to public universities.

Explainable – The new award will be simpler to explain and will not be arbitrary.

Predictable – Predictability allows students to make college choices with enough information by providing consistency of award amounts and timeliness of award information.

FINANCIAL AID PACKAGES

Introduction Example financial aid packages have been developed for each of the six types of institutions: private four-year, public four-year, private two-year, public two-year, private career colleges and public technology centers. This section presents the public four-year institutions. Other financial aid packages are in the appendix.

Six scenarios are developed for each type of institution. Three scenarios include students with the lottery scholarship, and three scenarios include students without the lottery scholarship. Initial reports show that less than 25 percent of those receiving a lottery scholarship also receive the TSAA grant. Furthermore, almost all TSAA recipients have incomes below \$36,000, while about two-thirds of lottery scholarship recipients have incomes above that level.

The three scenarios for each lottery type are the current centralized model, an alternate centralized model, and a decentralized model. The alternate payment table has a reduced number of columns and a reduced number of rows. Tuition ranges have been condensed into institutional types (Decreases rows.) and EFC ranges have been increased (Decreases columns.) This payment table has 20 cells and is easier to read than the current payment table with 1,221 cells.

The six public scenarios plus one additional decentralized approach are presented over the next few pages.

Example Simplified Payment Table for Centralized Model

	EFC 0	EFC 1-500	EFC 501-1000	EFC 1001-1500	EFC 1501-2100
Private 4-Yr and 2-Yr	\$4,800	\$4,000	\$3,200	\$2,400	\$1,600
Public 4-Yr and Career	\$2,400	\$2,000	\$1,600	\$1,200	\$800
Public 2-Yr	\$1,500	\$1,250	\$1,000	\$750	\$500
TTC	\$1,200	\$1,000	\$800	\$600	\$500

Notes:

1. Steps down are the EFC of zero amount divided by six.
2. The TTCs are currently the only group that hit the minimum amount prior to the standard decrease.
3. The ratio between groups remains the same as current awards across the EFC categories.

HOPE Eligible Student

(see next page for financial aid package chart)

Current TSAA Grant recipients who receive the HOPE Scholarship can meet their cost of attendance with about \$500 of loans and \$4,000 dollars of other aid. Other aid consists of institutional aid, federal SEOG grants, and work study. The award amount drops only slightly from an EFC of zero to an EFC of 1000. (See principles for definition of EFC.)

The Alternative TSAA Grant Model maintains the centralized approach but makes awarding easier by a simplified payment table as discussed above. The Alternative TSAA Grant Model also reduces the difference between a student with an EFC of 2100 and an EFC of 2200 from \$2,082 to \$800.

In these scenarios, the packaged shortfall for students with Pell, HOPE, and TSAA Grant is zero. Shortfall is the cost of attendance not met by Estimated Family Contribution (EFC), TSAA Grant, HOPE, Pell, other aid, or loans

The decentralized approach demonstrates one philosophical choice that an institution might make. The financial aid package provides a TSAA Grant amount that within award limits attempts to remove all shortfall for a student. The use of this philosophy is best seen in the non-lottery student.

In the case of this decentralized example, the increased flexibility of awards allows the institution to remove all shortfall for this student. TSAC determines the eligibility of a student, the amount of money awarded to the institution, and the upper and lower limits of the award. The number of students and amounts of the awards are flexible within these limits.

**Full-time Undergraduate at a Four-Year Public
HOPE-eligible Student**

\$16,000 = Cost of Attendance		<u>EFC=0</u>	<u>EFC=1000</u>	<u>EFC=2100</u>	<u>EFC=2200</u>
Existing Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	5,300	5,300	5,300	5,300
	TSAA	2,322	2,202	2,082	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	328	398	518	2,600
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$16,000	\$16,000	\$16,000	\$16,000
	Shortfall	\$0	\$0	\$0	\$0
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Alternate Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	5,300	5,300	5,300	5,300
	TSAA	2,400	1,600	800	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	250	1,000	1,800	2,600
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$16,000	\$16,000	\$16,000	\$16,000
	Shortfall	\$0	\$0	\$0	\$0
<hr/>					
Decentralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	5,300	5,300	5,300	5,300
	TSAA	2,650	2,600	2,600	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	0	0	0	1,500
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$16,000	\$16,000	\$16,000	\$14,900
	Shortfall	\$0	\$0	\$0	\$1,100

NOTE: The Decentralized model allows the institution to award the student up to \$4,800 in the TSAA program.

Non-HOPE Eligible Student

(see next page for financial aid package chart)

Students without HOPE have higher loans and experience shortfalls not felt by those with HOPE. Students who do not receive the lottery receive \$5,500 in loans. This loan amount is generally \$4,000 greater than the HOPE-eligible student who has a loan of \$1,500. Shortfalls differ across the three models.

Again, in the case of this decentralized example, the increased flexibility of awards allows the institution to remove all shortfall for this student. TSAC determines the eligibility of a student, the amount of money awarded to the institution, and the upper and lower limits of the award. The number of students and amounts of the awards are flexible within these limits.

**Full-time Undergraduate at a Four-Year Public
Non-HOPE eligible Student**

\$16,000 = Cost of Attendance		<u>EFC=0</u>	<u>EFC=1000</u>	<u>EFC=2100</u>	<u>EFC=2200</u>
Existing Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSA	2,322	2,202	2,082	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	5,500	5,500	5,500	5,500
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$15,872	\$15,802	\$15,682	\$13,600
	Shortfall	\$128	\$198	\$318	\$2,400
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Alternate Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSA	2,400	1,600	800	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	5,500	5,500	5,500	5,500
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$15,950	\$15,200	\$14,400	\$13,600
	Shortfall	\$50	\$800	\$1,600	\$2,400
<hr/>					
Decentralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSA	4,800	4,800	4,800	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	3,150	3,100	3,100	5,500
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$16,000	\$16,000	\$16,000	\$13,600
	Shortfall	\$0	\$0	\$0	\$2,400

NOTE: The Decentralized model allows the institution to award the student up to \$4,800 in the TSA program.

ADVANTAGES AND DISADVANTAGES OF CENTRALIZED AND DECENTRALIZED TSAA GRANT

Decentralized Advantages

- Flexibility to institution for award size and number (may have larger awards to fewer students or smaller awards to more students)
- Allows for institutional discretion in determining who and how much to award
- No over award liability to the state
- Fully expend appropriation (the budget is equal to the appropriation)
- Maintains state policy control over student eligibility, EFC minimum, award limits, etc.

Decentralized Disadvantages

- Allows for institutional discretion in determining who and how much to award
- Policy control expands to include institutional policy goals
- Explanation (hard to communicate)
- Limit student transfer options (300 last year)
- Schools may not use all allocated funds
- Inconsistency in award amounts
- Institutions change (both the number and their characteristics)
- Implementation (two different systems, grandfathering current TSAA Grant recipients)
- Possible reversion difficulties (Possible solution is to hold reversion in reserve)
- Unclear communication of met financial need to the legislature for appropriation decisions

Centralized Advantages

- Predictable/clear
- Policy control is limited to only the state's goals
- Money follows student
- Transferable

Centralized Disadvantages

- First come first served system
- Rigid (not as flexible) for institutions
- Over award liability to the state

RECOMMENDATION

Student financial aid is an important aspect of Tennessee higher education public policy. For over 30 years, the state has appropriated funding for need-based financial aid to assist Tennessee residents in paying for postsecondary education at both public and private institutions. In 2005-06 the Tennessee Student Assistance Corporation (TSAC) awarded \$38.4 million in need based grants to nearly 18,713 students. Student financial needs, however, far exceeded the available appropriations. The implementation of the Tennessee Educational Lottery Scholarship program in 2004 greatly increased the total financial aid available to Tennesseans, though the criteria for the lottery scholarship are merit-based. Therefore, Tennessee's two primary financial aid programs serve two distinct populations. Approximately 25 percent of students receiving the need-based TSAA also received a lottery scholarship.

Because of the importance of the TSAA program, the Board of Directors of the Tennessee Student Assistance Corporation convened a task force to review the TSAA program and recommend improvements. The task force first identified weaknesses in the current TSAA formula and award structure. Because state appropriations have not kept pace with students' financial needs, TSAC has awarded funds on a first come first serve basis since 2002, leaving eligible students who applied by the deadline without awards. The task force also noted that the current award structure provides little differentiation in award amounts for students with various levels of financial need. Finally, the award structure included an abrupt drop-off in award amounts, rather than a gradual decline. Students with an EFC of 2101 received no assistance, while a student with an EFC of 2100 received a substantial award.

In addressing these problems, the task force committed to several principles that guided the deliberations and informed the proposed changes. The TSAA program should be committed to serving financially needy students as defined by their Expected Family Contribution (EFC), which is a determination of financial need utilized in the Free Application for Federal Student Aid (FAFSA) and widely accepted in the financial aid community. The award structure should be as simple and explainable as possible, while also promoting student access and choice.

Two main models emerged from task force discussions - a revision of the current centralized model of disbursement and a fundamentally different approach that would decentralize the program. Each model offered unique solutions to the problems of the current system identified by the task force. A ***revised centralized model*** would maintain all policy decisions at the state level. It would also allow the TSAA award to follow the student to the institution of his or her choice, afford consistency in the award

amounts to students with similar EFC levels and allow students to transfer their award to other Tennessee institutions. The ***decentralized model*** provides flexibility for institutions to determine whom to award as well as the award amounts, within specified minimum and maximum awards. Under the decentralized option, TSAC would continue to certify eligible students who met financial need criteria, but then allow institutions the discretion in determining which needy students would receive TSAA funds.

The task force engaged in lengthy debate and analysis of the two models with a thorough investigation in how best to serve Tennessee students and further the goals of the program. The task force found merit in both a revised centralized method of disbursement and a decentralized approach. Both models would provide financial aid to needy students, while allowing the state to maintain control over student eligibility and award parameters.

After consideration of both alternatives, the task force recommends significant revisions to the current award structure, while maintaining centralized control over the TSAA program. The task force believes these changes would significantly improve the TSAA program and ultimately be in the best interests of Tennessee students. Specifically, the task force recommends the following:

- Continue administering TSAA as a centralized program, rather than adopting a decentralized model.
- Advance the “Priority Application Date” for the TSAA program from May 1 to March 1 (*NOTE: This change has already been announced for the 2007-08 award year*).
- Consolidate the TSAA award amount payment schedule from one with hundreds of cells to one with a small number of cells.
- Vary the TSAA award amounts in the payment schedule so that there is more differentiation between cells. This would avoid the “cliff effect” where the awards drop sharply to zero at the end of the EFC eligibility scale.

APPENDIX

Full-Time Undergraduate at a Four-Year or Two-Year Private Campus HOPE-Eligible Student

Cost of Attend. = \$32,000		<u>EFC=0</u>	<u>EFC=1000</u>	<u>EFC=2100</u>	<u>EFC=2200</u>
Existing Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	5,300	5,300	5,300	5,300
	TSAA	4,644	4,404	4,164	0
	Other Aid	9,600	9,600	9,600	9,600
	Loans	7,000	7,000	7,000	7,000
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$30,594	\$30,404	\$30,164	\$26,000
	Shortfall	\$1,406	\$1,596	\$1,836	\$6,000
Alternate Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	5,300	5,300	5,300	5,300
	TSAA	4,800	3,200	1,600	0
	Other Aid	9,600	9,600	9,600	9,600
	Loans	7,000	7,000	7,000	7,000
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$30,750	\$29,200	\$27,600	\$26,000
	Shortfall	\$1,250	\$2,800	\$4,400	\$6,000
Decentralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	5,300	5,300	5,300	5,300
	TSAA	6,000	6,000	6,000	0
	Other Aid	9,600	9,600	9,600	9,600
	Loans	7,000	7,000	7,000	7,000
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$31,950	\$32,000	\$32,000	\$26,000
	Shortfall	\$50	\$0	\$0	\$6,000

NOTE: The Decentralized model allows the institution to award the student up to \$6,000 in the TSAA program.

Full-Time Undergraduate at a Four-Year or Two-Year Private Campus
Non-HOPE-Eligible Student

Cost of Attend. = \$32,000		<u>EFC=0</u>	<u>EFC=1000</u>	<u>EFC=2100</u>	<u>EFC=2200</u>
Existing Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSAA	4,644	4,404	4,164	0
	Other Aid	9,600	9,600	9,600	9,600
	Loans	7,000	7,000	7,000	7,000
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$25,294	\$25,104	\$24,864	\$20,700
	Shortfall	\$6,706	\$6,896	\$7,136	\$11,300
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Alternate Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSAA	4,800	3,200	1,600	0
	Other Aid	9,600	9,600	9,600	9,600
	Loans	7,000	7,000	7,000	7,000
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$25,450	\$23,900	\$22,300	\$20,700
	Shortfall	\$6,550	\$8,100	\$9,700	\$11,300
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Decentralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSAA	6,000	6,000	6,000	0
	Other Aid	9,600	9,600	9,600	9,600
	Loans	7,000	7,000	7,000	7,000
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$26,650	\$26,700	\$26,700	\$20,700
	Shortfall	\$5,350	\$5,300	\$5,300	\$11,300

NOTE: The Decentralized model allows the institution to award the student up to \$6,000 in the TSAA program.

Full-Time Undergraduate at a Four-Year Public or Private Career Campus
HOPE-Eligible Student

Cost of Attend. = \$16,000		<u>EFC=0</u>	<u>EFC=1000</u>	<u>EFC=2100</u>	<u>EFC=2200</u>
Existing Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	5,300	5,300	5,300	5,300
	TSAA	2,322	2,202	2,082	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	328	398	518	2,600
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$16,000	\$16,000	\$16,000	\$16,000
	Shortfall	\$0	\$0	\$0	\$0
<hr/>					
Alternate Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	5,300	5,300	5,300	5,300
	TSAA	2,400	1,600	800	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	250	1,000	1,800	2,600
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$16,000	\$16,000	\$16,000	\$16,000
	Shortfall	\$0	\$0	\$0	\$0
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Decentralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	5,300	5,300	5,300	5,300
	TSAA	2,650	2,600	2,600	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	0	0	0	1,500
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$16,000	\$16,000	\$16,000	\$14,900
	Shortfall	\$0	\$0	\$0	\$1,100

NOTE: The Decentralized model allows the institution to award the student up to \$4,800 in the TSAA program.

Full-Time Undergraduate at a Four-Year Public or Private Career Campus
Non-HOPE Eligible Student

Cost of Attend. = \$16,000		<u>EFC=0</u>	<u>EFC=1000</u>	<u>EFC=2100</u>	<u>EFC=2200</u>
Existing Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSAA	2,322	2,202	2,082	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	5,500	5,500	5,500	5,500
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$15,872	\$15,802	\$15,682	\$13,600
	Shortfall	\$128	\$198	\$318	\$2,400
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Alternate Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSAA	2,400	1,600	800	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	5,500	5,500	5,500	5,500
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$15,950	\$15,200	\$14,400	\$13,600
	Shortfall	\$50	\$800	\$1,600	\$2,400
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Decentralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSAA	4,800	4,800	4,800	0
	Other Aid	4,000	4,000	4,000	4,000
	Loans	3,150	3,100	3,100	5,500
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$16,000	\$16,000	\$16,000	\$13,600
	Shortfall	\$0	\$0	\$0	\$2,400

NOTE: The Decentralized model allows the institution to award the student up to \$4,800 in the TSAA program.

Full-Time Undergraduate at a Two-Year Public Campus
HOPE-Eligible Student

Cost of Attend. = \$9,000		<u>EFC=0</u>	<u>EFC=1000</u>	<u>EFC=2100</u>	<u>EFC=2200</u>
Existing Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	3,400	3,400	3,400	3,400
	TSAA	1,410	1,290	1,170	0
	Other Aid	140	210	330	1,500
	Loans	0	0	0	0
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$9,000	\$9,000	\$9,000	\$9,000
	Shortfall	\$0	\$0	\$0	\$0
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Alternate Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	3,400	3,400	3,400	3,400
	TSAA	1,500	1,000	500	0
	Other Aid	50	500	1,000	1,500
	Loans	0	0	0	0
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$9,000	\$9,000	\$9,000	\$9,000
	Shortfall	\$0	\$0	\$0	\$0
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Decentralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	3,400	3,400	3,400	3,400
	TSAA	1,000	1,000	1,000	0
	Other Aid	550	500	500	500
	Loans	0	0	0	0
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$9,000	\$9,000	\$9,000	\$8,000
	Shortfall	\$0	\$0	\$0	\$1,000

NOTE: The Decentralized model allows the institution to award the student up to \$2,500 in the TSAA program.

Full-Time Undergraduate at a Two-Year Public Campus
Non-HOPE-Eligible Student

Cost of Attend. = \$9,000		<u>EFC=0</u>	<u>EFC=1000</u>	<u>EFC=2100</u>	<u>EFC=2200</u>
Existing Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSAA	1,410	1,290	1,170	0
	Other Aid	1,500	1,500	1,500	1,500
	Loans	2,040	2,110	2,230	2,500
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$9,000	\$9,000	\$9,000	\$8,100
	Shortfall	\$0	\$0	\$0	\$900
<hr/>					
Alternate Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSAA	1,500	1,000	500	0
	Other Aid	1,500	1,500	1,500	1,500
	Loans	1,950	2,400	2,500	2,500
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$9,000	\$9,000	\$8,600	\$8,100
	Shortfall	\$0	\$0	\$400	\$900
<hr/>					
Decentralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	HOPE	0	0	0	0
	TSAA	2,500	2,500	2,500	0
	Other Aid	1,500	1,500	1,500	1,500
	Loans	950	900	900	900
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$9,000	\$9,000	\$9,000	\$6,500
	Shortfall	\$0	\$0	\$0	\$2,500

NOTE: The Decentralized model allows the institution to award the student up to \$2,500 in the TSAA program.

Full-Time Undergraduate at a Public Technology Center Campus
Lottery-Eligible Student

Cost of Attend. = \$6,200		<u>EFC=0</u>	<u>EFC=1000</u>	<u>EFC=2100</u>	<u>EFC=2200</u>
Existing Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	Wilder-Naifeh	1,500	1,500	1,500	1,500
	TSA	1,170	1,044	924	0
	Other Aid	0	0	0	0
	Loans	0	0	0	0
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$6,720	\$6,644	\$6,524	\$5,600
	Shortfall	\$0	\$0	\$0	\$600
Alternate Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	Wilder-Naifeh	1,500	1,500	1,500	1,500
	TSA	1,200	800	500	0
	Other Aid	0	0	100	0
	Loans	0	0	0	0
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$6,750	\$6,400	\$6,200	\$5,600
	Shortfall	\$0	\$0	\$0	\$600
Decentralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	Wilder-Naifeh	1,500	1,500	1,500	1,500
	TSA	650	600	600	0
	Other Aid	0	0	0	0
	Loans	0	0	0	0
	Family Contribution (EFC)	<u>0</u>	<u>1,000</u>	<u>2,100</u>	<u>2,200</u>
	Total Resources	\$6,200	\$6,200	\$6,200	\$5,600
	Shortfall	\$0	\$0	\$0	\$600

NOTE: The Decentralized model allows the institution to award the student up to \$2,000 in the TSA program.

Full-Time Undergraduate at a Public Technology Center Campus
Non-Lottery-Eligible Student

<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Cost of Attend. = \$6,200 </div>		<u>EFC=0</u>	<u>EFC=1000</u>	<u>EFC=2100</u>	<u>EFC=2200</u>
Existing Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	Wilder-Naifeh	0	0	0	0
	TSA	1,170	1,044	924	0
	Other Aid	1,000	1,000	1,000	1,000
	Loans	0	0	0	0
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$6,220	\$6,144	\$6,024	\$5,100
	Shortfall	\$0	\$56	\$176	\$1,100
<hr/>					
Alternate Centralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	Wilder-Naifeh	0	0	0	0
	TSA	1,200	800	500	0
	Other Aid	1,000	1,000	1,000	1,000
	Loans	0	0	0	0
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$6,250	\$5,900	\$5,600	\$5,100
	Shortfall	\$0	\$300	\$600	\$1,100
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Decentralized Model	Pell	\$4,050	\$3,100	\$2,000	\$1,900
	Wilder-Naifeh	0	0	0	0
	TSA	2,000	2,000	2,000	0
	Other Aid	150	100	100	1,000
	Loans	0	0	0	0
	Family Contribution (EFC)	0	1,000	2,100	2,200
	Total Resources	\$6,200	\$6,200	\$6,200	\$5,100
	Shortfall	\$0	\$0	\$0	\$1,100

NOTE: The Decentralized model allows the institution to award the student up to \$2,000 in the TSA program.

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

DISCUSSION ITEM A:

Communication Services Activity Report

Staff Recommendation

For discussion only.

Background

An executive summary of TSAC's Strategic Plan for Communication and Outreach will be presented.

The Division of Communication Services will report on current activities in support of outreach initiatives across the state.

Supporting Document

*Strategic Plan for Communication and Outreach:
Executive Summary, September 28, 2006.*

Strategic Plan for Communication and Outreach: Executive Summary

September 28, 2006

Tennessee Student Assistance Corporation
Parkway Towers, Suite 1950
404 James Robertson Parkway
Nashville, Tennessee 37243-0820
(615) 741-1346

www.CollegePaysTN.com

Executive Summary

TSAC's Division of Communication Services, through the development of a broad networking initiative, will strive to foster innovative approaches to assure that resources, both human and financial, are utilized by the most beneficial and cost-effective means. The division will further work to ensure unduplicated messaging, target-motivated programs, and overall efficiency and success of both newly established and existing programs throughout the state. Furthermore, the division shall carry out the responsibilities encompassing proactive marketing and outreach initiatives, constant management of media relations, and the creation of goals recognizing the need for an effective and efficient Strategic Plan. The plan will incorporate a multi-faceted, research-driven and committed approach to informing the citizens of Tennessee about the benefits and means for accessing higher education opportunities.

GOALS

In response to considerable research and analysis of target audiences and the financial aid programs directed by TSAC, along with a thorough investigation into the demographics affected by participation in higher education as a whole, the following goals have been outlined. While setting these goals represents an initial step to address ongoing issues with access to higher education in Tennessee, there remains the need to continually monitor their focus and measure their success on an ongoing basis.

1. Increase the total number of high school graduates from Tennessee public high schools who enroll in college.
2. Increase the total number of non-traditional students participating in higher education.
3. Increase the number of minority and low-income students qualifying, applying and receiving financial aid for college in Tennessee.
4. Increase the retention rate of the TELS award at the 24-hour credit checkpoint.

While certainly broad, these goals illustrate the overall direction that outreach and communication activities will strive to achieve. Further illustration of specific strategies to insure success follows.

STRATEGIES

Current research analysis, best practices and other measurable outcomes already established will be utilized for the sake of efficiency and effectiveness when strategizing for success of the goals at hand. National, regional and local analysis has pointed to trends and market traits that reveal the most valuable means to reach target audiences. Strategies for achieving each goal are briefly outlined below.

In order to *increase the total number of high school graduates from Tennessee public high schools who enroll in college*, a younger audience must be targeted with a broader message. TSAC must begin by educating students at a much younger age as to the benefits and value of furthering your education. By laying the foundation for success early, more students will be confident in the steps required to successfully complete the college planning and application process.

To *increase the total number of non-traditional students participating in higher education*, efforts must be made to reach out into the workforce with both an inspirational and practical message. TSAC must go where the workers are with answers and proof of the benefits of education beyond high school, convincing this audience that an educated workforce is better for all citizens of Tennessee.

Both minority and low income students face countless barriers to accessing higher education. To *increase the number of minority and low-income students qualifying, applying and receiving financial aid for college in Tennessee*, TSAC must recognize and address both cultural and socioeconomic differences in its presentation of messages and outreach initiatives therein.

Programs initiated and carried out will address a wide-range of needs and concerns for this targeted audience.

In order to *increase the retention rate of the TELS award at the 24-hour credit checkpoint*, TSAC must undertake an aggressive plan that illustrates the importance of academic preparation to a younger audience. Raising retention rates, along with college-going rates as stated in the first goal, involves a broader message including admissions standards and testing criteria along with training and coordination in cooperation with partner agencies' initiatives aimed at increasing high school completion rates.

INITIATIVES

Many initiatives are already underway or in the planning stages that seek to accomplish the goals of TSAC's Strategic Plan for Communication and Outreach. A multi-faceted approach and delivery for a broader message of college access, preparation, and financial planning to a variety of audiences is ongoing. To begin, it is important to outline changes made to existing presentations and programs.

The initial information and outreach measures by TSAC, like with most newly created programs, began with informing those immediately affected. High school seniors and current college freshman made up the most urgent focus with the creation of TELS. However, TSAC has begun expanding upon not only the scope of the presentations and direct mailings, but the audiences that receive them. TSAC has is actively pursuing more non-traditional venues to deliver presentations while working steadily to overhaul the overall message and tone of the presentations themselves to include less specific detail and more useful oversight. Additionally, TSAC is providing printed materials in mass quantities to students in grades 5 through 8.

Administratively, positive changes have been made to both increase and diversify the 'face' of TSAC. Both an increase in and relocation of field representatives has been proposed and adopted in an attempt to localize activities and prepare for grassroots initiatives across the state. Other administrative staff additions have occurred in order to address the new demands and opportunities caused by a new focus and broadening of outreach activities. Furthermore, promising partnerships are being forged between TSAC and other partner agencies and programs to insure the most efficient and effective use of resources affiliated with the higher education access initiative overall.

Various new initiatives, currently in the planning stages, are in direct support of the strategies to meet goals outlined herein. As with every strategy, it is vital to first establish the target audience affected. In the case of our goals, there are four main target audiences to be addressed with a multi-faceted message. Subsequently, each goal itself may have multiple audiences affiliated. The four main target audiences are middle school students, high school students, non-traditional students and parents; these audiences can each be further segmented into underserved populations of minority, low-income and first generation or any combination therein. With this in mind, a broad outline of initiatives is provided below addressing the strategies to reach their respective goals.

1. In order to *Increase the total number of high school graduates from Tennessee public high schools who enroll in college* a younger audience must be targeted with a broader message.
 - A reformatted presentation and programs with a broader message including outlining the benefits of higher education, academic preparation, financial planning, career planning, etc. will be presented to middle schools.
 - Specialized publications, web, programs and other advertising means will be utilized in order to reach this specific group of students and their parents.
2. To *increase the total number of non-traditional students participating in higher education* efforts must be made to reach out into the workforce with both an inspirational and practical message.

- A presentation and program will be created that encompasses a message outlining the benefits of higher education for career success.
 - Specialized networking in the business sector to reach this audience is of utmost importance; including specialized advertising, publications and promotional initiatives.
3. To *increase the number of minority and low-income students qualifying, applying and receiving financial aid for college in Tennessee*, TSAC must recognize and address both the cultural and socioeconomic differences of this group.
 - Through thorough research of best practices regarding the target audience, presentations and programs will be established that outline an overall college access message while addressing the wide-range of specific needs and concerns.
 - Focus will be placed on establishing relationships, at the grassroots level, with students and parents that are informative and effective; while utilizing proven mediums and other opportunities.
 4. In order to *increase the retention rate of the TELS award at the 24-hour credit checkpoint* TSAC must undertake an aggressive plan that illustrates the importance of academic preparation to a younger audience.
 - Presentations, programs, publications, and advertising to all audiences will include a broader message of academic preparation to insure college success.
 - Further partnerships with affiliate agencies will be established and maintained to insure cohesiveness and saturation of message.

Overall, TSAC will create an effective and efficient information campaign across the state through a reformatting of old presentations and creation of new program presentations, publications, and other initiatives to deliver a broader message of college access, utilizing the medium and format best suited for the target audiences. By focusing on establishing a grassroots presence, TSAC will forge stronger relationships with both partner agencies already established and the public we serve.

MEASURES

Though the Strategic Plan for Communication and Outreach addresses mostly qualitative goals and strategies that will take an extended commitment to develop, measures will be established to mark success. Furthermore, it remains vital to recognize that any measures of success or disappointment cannot solely be placed on the initiatives, programs, or policies instituted by TSAC due to the high level of variability affecting college access in Tennessee. However, in spite of their qualitative nature and variability, TSAC will utilize means such as focus groups, web and telephone surveys, questionnaires, etc. to measure both effectiveness and efficiency of strategies, mediums, and specific initiatives undertaken. These ongoing measures will influence constant evaluation, monitoring and changes in programs and initiatives set-forth; adjustments will be made accordingly on a continual basis.

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

DISCUSSION ITEM B: **Tennessee HOPE Foster Child Tuition Grant Program** **Request for Advisory Opinion**

Staff Recommendation For discussion only.

Background 2006-07 marks the second year of the Tennessee HOPE Foster Child Tuition Grant Program. In the first year of the program, participation was limited to students attending public institutions. In the second year of the program, the General Assembly extended eligibility to students attending independent colleges and universities (Public Acts, 2006, Chapter No. 869, House Bill No. 2809).

As TSAC staff reviewed the program rules in order to extend eligibility to students attending independent institutions, questions arose concerning the method used to calculate award amounts.

The portion of the law (T.C.A. §49-4-933) which describes the procedure used to calculate award amounts can be interpreted in several different ways. For that reason, before determining 2006-07 award amounts, TSAC has asked the Tennessee Attorney General for an advisory opinion.

Supporting Documents *Public Acts, 2006, Chapter No. 869, House Bill No. 2809.*

Correspondence from Robert W. Ruble to Honorable Paul Summers, Tennessee Attorney General, August 31, 2006.

CHAPTER NO. 869

HOUSE BILL NO. 2809

By Representatives Winningham, DuBois

Substituted for: Senate Bill No. 2587

By Senators Woodson, Burks, Bryson, McNally, McLeary, Ketron, Cohen

AN ACT to amend Tennessee Code Annotated, Section 49-4-933, relative to Tennessee HOPE foster child tuition grants.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-4-933, is amended by deleting the word "public" wherever it appears.

SECTION 2. Tennessee Code Annotated, Section 49-4-933(f), is amended by deleting the subsection in its entirety and substituting instead:

(f)

(1) Before a Tennessee HOPE foster child tuition grant may be awarded, a student shall apply for all available financial aid, including, but not limited to, the Tennessee HOPE scholarship or Tennessee HOPE access grant, if eligible, and funds provided through the federal Foster Care Independence Act of 1999, if applicable. All financial assistance available to a student, other than the Tennessee HOPE foster child tuition grant, shall be applied to the student's total cost of attendance, as defined in 20 U.S.C. § 1087II, prior to the granting of a Tennessee HOPE foster child tuition grant.

(2) A Tennessee HOPE foster child tuition grant for a student attending an eligible public postsecondary institution shall cover any costs of tuition, maintenance fees, student activity fees and required registration or matriculation fees remaining after applying all other student financial assistance from all sources towards the student's cost of attendance.

(3) A Tennessee HOPE foster child tuition grant for a student attending an eligible four-year independent postsecondary institution shall be the cost of tuition, maintenance fees, student activity fees and required registration or matriculation fees remaining after applying all other student financial assistance from all sources towards the student's cost of attendance, or the average of the sum of full tuition, maintenance fees, student activity fees and required registration and matriculation fees charged at all four-year public postsecondary institutions,

whichever is less. A Tennessee HOPE foster child tuition grant for a student attending an eligible two-year independent postsecondary institution shall be the cost of tuition, maintenance fees, student activity fees and required registration or matriculation fees remaining after applying all other student financial assistance from all sources towards the student's cost of attendance, or the average of the sum of full tuition, maintenance fees, student activity fees and required registration and matriculation fees charged at all two-year public postsecondary institutions, whichever is less.

(4) Notwithstanding any provision of this part to the contrary, a Tennessee HOPE scholarship or Tennessee HOPE access grant awarded to a student eligible for a Tennessee HOPE foster child tuition grant may be used for the cost of room and board, which shall not exceed the maximum cost of room and board provided through the facilities of the eligible postsecondary institution that the student is attending.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 23, 2006


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 5th day of June 2006


PHIL BREDESEN, GOVERNOR



STATE OF TENNESSEE
TENNESSEE STUDENT ASSISTANCE CORPORATION
SUITE 1950, PARKWAY TOWERS
404 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0820
(615) 741-1346 • (800) 342-1663 • FAX (615) 253-3867
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August 31, 2006

Honorable Paul Summers
Tennessee Attorney General
425 5th Avenue North
Cordell Hull Building, 2nd Floor
Nashville, TN 37243

Re: Interpretation of Tenn. Code Ann. § 49-4-933(f)(1) and (2) (2006)

Dear General Summers:

I write on behalf of the Tennessee Student Assistance Corporation (TSAC) to request a formal opinion on the correct interpretation of Tenn. Code Ann. § 49-4-933(f)(1) and (2) (2006) concerning the Tennessee HOPE Foster Child Tuition Grant program. More specifically, the question concerns the method used to calculate the correct amount of the Tennessee HOPE Foster Child Tuition Grant.

The statutory language in question is as follows:

(f)(1) Before a Tennessee HOPE foster child tuition grant may be awarded, a student shall apply for all available financial aid, including, but not limited to, the Tennessee HOPE scholarship or Tennessee HOPE access grant, if eligible, and funds provided through the federal Foster Care Independence Act of 1999, if applicable. All financial assistance available to a student, other than the Tennessee HOPE foster child tuition grant, shall be applied to the student's total cost of attendance, as defined in 20 U.S.C. § 1087ll, prior to the granting of a Tennessee HOPE foster child tuition grant.

(2) A Tennessee HOPE foster child tuition grant for a student attending an eligible public postsecondary institution shall cover any costs of tuition, maintenance fees, student activity fees and required registration or matriculation fees remaining after applying all other student financial assistance from all sources towards the student's cost of attendance.

In the first sentence of subsection (f)(1) above, TSAC interprets "all available financial aid" to include grants, scholarships, loans, and work-study. If correct, it appears that the first sentence should be interpreted to make application for a student loan a condition of eligibility for the Tennessee HOPE foster child tuition grant program.

The second sentence of subsection (f)(1) and all of subsection (f)(2) indicate how the HOPE Foster Child Tuition Grant should be calculated. TSAC interprets these provisions to mean that the HOPE Foster Child Tuition Grant equals the shortfall between all financial assistance and the cost of attendance, provided that the grant cannot exceed a *ceiling* equal to the cost of tuition and mandatory fees. Furthermore, TSAC interprets the phrase *all financial assistance* to be an inclusive term, which under its umbrella includes grants, scholarships, loans, and work-study.

Honorable Paul Summers
August 31, 2006
Page 2

Example:

\$5,000 Tuition and Mandatory Fees
12,000 Room & Board, Books, Personal Expenses
\$17,000 Cost of Attendance

\$9,000 Grants and Scholarships
500 Work-study
3,500 Loans
\$13,000 All Financial Assistance

In this example, the cost of attendance less all financial assistance equals \$4,000. This amount does not exceed the \$5,000 ceiling, so the HOPE Foster Child Tuition Grant is \$4,000.

In the past, TSAC (incorrectly, we now believe) ignored loans and work-study in this calculation. The term *all financial assistance* was (incorrectly, we now believe) narrowly defined to mean only grants and scholarships. Thus, in the past, the HOPE Foster Child Tuition Grant would have equaled the cost of attendance less total grants and scholarships, or $\$17,000 - \$9,000 = \$8,000$.

Note also that in the past, TSAC (incorrectly, we now believe) did not apply a ceiling to the award amount. In this example, the grant would have equaled \$8,000, even though that amount exceeded the \$5,000 cost of tuition and mandatory fees.

TSAC would also like to note that language in the earlier version of the Tennessee HOPE foster child tuition grant provision (Tenn. Code Ann. § 49-4-933(f) (2005)) relative to calculation of the amount of the grant and eligibility for the grant was substantially identical to the language in the new statute other than the fact that students at eligible independent postsecondary institutions can now be eligible for the grant and the new statute modifies the organization of the law in terms of sections, subsections.

TSAC seeks your confirmation that our current interpretations are correct. If our interpretations are incorrect, your detailed instructions will be helpful as we attempt to correctly calculate the amount of a student's Tennessee HOPE foster child tuition grant.

We would respectfully request your expedited response to this request since TSAC is in need of making scholarship awards to students for fall enrollment, which is now in progress.

Thank you for your guidance.

Sincerely yours,

Robert W. Ruble
Executive Director

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

Discussion Item C: **Tennessee Guarantee Loan Volume Market Report**

Staff Recommendation For discussion only.

Background The supporting documents within this report represent a summary analysis of TSAC's chief guarantor competitors in the State of Tennessee. The purpose of this educational briefing is to bring to the Board the understanding that TSAC does have competition. The effect of this competition is that revenues and fund balances are impacted through that competition. TSAC's Operating Fund and the Federal Reserve Fund remain healthy as long as the loans are guaranteed by TSAC.

Further, earnings on these funds are reinvested into the students we serve while our fund balances remain healthy. These funds are reinvested to students and schools by supporting outreach efforts, administrative offices, and to a lesser degree, administrative offices of the grant and scholarship programs. Unlike other competing guarantors, it is our sole goal to reinvest our funds into the students and schools that we serve in Tennessee.

Supporting Documents *Narrative of Comparative Analysis of Guarantors, September 28, 2006.*

Narrative of Comparative Analysis of Guarantors

September 28, 2006

Tennessee Student Assistance Corporation
Parkway Towers, Suite 1950
404 James Robertson Parkway
Nashville, Tennessee 37243-0820
(615) 741-1346

www.CollegePaysTN.com

American Student Assistance Corporation #725 - Boston, Massachusetts

Massachusetts Higher Education Corporation, dba American Student Assistance, is more commonly known as ASA. ASA is a nonprofit organization with almost fifty years of experience and employs more than 500 associates nationwide. While ASA provides a variety of services, its current selling feature is default prevention and a low cohort default rate. Presently, ASA has the second-lowest default rate in the nation at 1.3% in 2003 (**Table 1: Cohort Default Rate Comparison of Selected Guarantors**). South Carolina ranks No. 1 in this category.

Other services promoted by ASA include Journeys, an online program designed with information about job hunting and finances; the Wellness program that provides counselors for delinquent borrowers; the Shadow Program, which offers hands on assistance with entrance/exit interviews and other administrative tasks to the colleges during peak season; and ASA Direct, a Web-based tool for managing the FFEL program.

ASA is marketed in Tennessee by a former financial aid administrator with experience at three different colleges in the state. In addition to the relationships formed during those years, the representative is a past TASFAA president and is married to a financial aid director at a high profile university who is also very active on the TASFAA board. ASA is the eighth largest guarantor in the nation, yet it made a small increase in percentage of Tennessee loan volume between 2003 and 2005 (**Table 2: Volume by Guarantor**).

California Student Aid Commission/EDFund #706 – Rancho Cordova, California

California Student Aid Commission (CSAC) was established in 1955. EDFund, founded in 1997 by CSAC, is a nonprofit corporation and is used by CSAC as its auxiliary to administer all activities associated with its participation in the federal student loan program. EDFund's company headquarters is in Rancho Cordova, and has regional offices located across the nation. EDFund has a very appealing and easy to use Internet site. Navigation on the site is simple and contains valuable tools and links for financial aid professionals.

EDFund offers competitive services that include Web-based programs to view and process student loan information along with processing through ELM Resources and NDN. PCFAPS is a program that allows schools to view and print loan reports and delinquent or defaulted borrower reports. Other benefits offered to the community are forms, publications, and videos all free of charge. Training programs include financial aid workshops, high school counselor workshops, and default prevention workshops.

CSAC's 2003 cohort default rate of 6.4% ranks it No. 28 nationally. Its 2005 loan volume is second in the nation and it currently holds 4.17% of Tennessee's 2005 loan volume. In 2002, only 0.08% of Tennessee's loan volume was held by CSAC.

National Student Loan Program # 731 - Lincoln, Nebraska

National Student Loan Program, or NSLP, is a private nonprofit guaranty agency that markets itself as "free from bureaucracy" and better able to serve its partners' interests with no red tape. NSLP has guaranteed student loans for 18 years and is ranked No. 6 in the nation by loan volume. The agency markets a broad default program, and its 2003 default rate of 4.5% makes it No. 16 nationally. It offers many workshops during the year including default prevention, identity theft and other related topics. The NSLP Web site includes many informative resources for repayment assistance and default prevention including early planning for college beginning with middle school students, basic budgeting, career planning and other topics.

NSLP's marketing representative for Tennessee has several years experience having served as a financial aid counselor for a major university in the area and later acting as a marketing representative for one of the states largest student loan lenders. During this time he has built many strong relationships within the TASFAA community.

Texas Guaranteed Student Loan Corporation #748 – Austin, Texas

Texas Guaranteed (TG) was created in 1979 as a public, nonprofit corporation. It is not a state agency and receives no state funds. Income is derived mostly from fees on student loans along with recovery fees on loans collected. The local representative has a likeable personality that is well received in the schools. TG provides many of the same services as other guarantors, utilizing AdvanTG, a Web-based loan-management tool. Online services include default prevention, financial aid awarding, and electronic promissory notes. Business Partner Services is a training feature TG offers to the schools and incorporates development workshops and conferences.

TG's 2003 cohort default rate was 6.3%, making it No. 27 nationally. Its 2005 national loan volume makes it the fourth largest guarantor. Currently, 0.73% of Tennessee's 2005 loan volume is held by TG.

USA Services #800 – Indianapolis, Indiana

USA Funds (USAF) was established in 1960 as a nonprofit corporation and has grown to become the nation's largest guarantor of FFEL loans. USAF is the designated guarantor of federal education loans in eight states: Arizona, Hawaii and the Pacific Islands, Indiana, Kansas, Maryland, Mississippi, Nevada and Wyoming. SMS Hawaii, an affiliate of USA Funds, is a nonprofit student-loan secondary market for Hawaii. Northwest Education Loan Association (NELA), another USA Funds affiliate, is a nonprofit guarantor servicing the Pacific Northwest. NELA is the designated guarantor for Idaho and Washington. USAF contracts with Sallie Mae and all of its affiliates to deliver its services. Due to this contractual relationship and by marketing design, the line between the lender function and the guarantor function is almost nonexistent. USAF's most notable feature is the size and resources of the corporation.

OpenNet is an online student-loan delivery platform used by the schools to manage and transmit loan data. This is a free service to the schools and is heavily marketed by Sallie Mae. Workshops are also provided nationwide, along with forty-three online learning courses designed for everyone from the beginning financial aid to the director's level. There are two representatives in Tennessee. One represents AmSouth Bank (served by Sallie Mae) and the other representing Sallie Mae. The AmSouth representative has long standing ties with the financial aid community and uses his personal relationships to maintain and gain business. The Sallie Mae representative was an assistant director at Austin Peay, and then became the Director at Tennessee State University before joining Sallie Mae.

TABLE 1: Cohort Default Rate Comparison of Selected Guarantors

Name	2003 Rank by Cohort Default Rate	2003 Rate	2002 Rate	2001 Rate	2000 Rate	1999 Rate	1998 Rate	1997 Rate	1996 Rate	1995 Rate	1994 Rate	1993 Rate
ASA	2	1.3	1.7	3.4	3.9	3.8	5.9	7.6	10.1	10.1	10.7	13.4
CSAC	28	6.4	6.5	6.7	7.0	6.3	7.3	10.3	12.7	14.4	15.7	17.9
NSLP	15	4.5	4.4	5.4	5.0	6.6	7.7	10.2	9.2	9.8	9.0	8.3
TG	27	6.3	7.0	8.0	7.7	6.9	9.4	11.7	13.3	14.2	15.2	17.3
USAF	12	4.0	4.4	4.5	6.1	5.6	6.7	8.7	10.6	10.8	11.6	14.0
TSAC	16	4.6	5.7	6.8	6.7	6.8	10.1	12.4	13.0	13.4	13.6	14.7
National Average		4.5	5.2	5.4	5.9	5.6	6.9	8.8	9.6	10.4	10.7	11.6

Table 2: Volume by Guarantor Report
New Guaranteed and Direct Stafford and PLUS Loan Originations

Guarantor	FFY 04/05				FFY03/04			
	# of Loans	Balance	Average	Variance 05 vs. 04	# of Loans	Balance	Average	Variance 04 vs. 03
TENNESSEE STUDENT ASSISTANCE CORPORATION (747)	173,969	\$685,237,155	\$3,939	\$31,279,551	169,938	\$653,957,604	\$3,848	\$41,512,756
USA FUNDS, INC. (800)	36,125	168,521,122	4,665	49,140,774	26,823	119,380,348	4,451	34,900,746
DIRECT LOANS (0)	38,126	140,641,378	3,689	(36,704,285)	45,778	177,345,663	3,874	19,998,436
CALIFORNIA STUDENT AID COMMISSION (706)	13,565	47,041,787	3,468	13,113,531	10,541	33,928,256	3,219	25,303,909
AMERICAN STUDENT ASSISTANCE (725)	3,018	30,621,791	10,146	3,083,752	2,825	27,538,039	9,748	5,323,235
NATIONAL STUDENT LOAN PROGRAM (731)	2,827	25,691,295	9,088	15,862,922	1,179	9,828,373	8,336	9,275,185
GREAT LAKES HIGHER EDUCATION CORP. (755)	1,767	11,865,545	6,715	(944,681)	2,050	12,810,226	6,249	(1,548,424)
TEXAS GUARANTEED STUDENT LOAN CORP. (748)	2,976	8,222,695	2,763	4,038,158	1,420	4,184,537	2,947	3,761,227
COLORADO STUDENT LOAN PROGRAM (708)	1,063	3,559,074	3,348	1,057,220	764	2,501,854	3,275	920,671
PENNSYLVANIA HIGHER EDUC. ASST. AGENCY (742)	202	1,381,307	6,838	(87,914)	233	1,469,221	6,306	414,238
COORDINATING BOARD FOR HIGHER EDUCATION (729)	114	984,942	8,640	241,123	89	743,819	8,358	215,181
HIGHER EDUCATION ASSISTANCE AUTHORITY (721)	128	669,239	5,228	201,691	90	467,548	5,195	(34,285)
STUDENT LOAN GUARANTY FNDTN. OF ARKANSAS (705)	80	594,852	7,436	121,919	57	472,933	8,297	(21,000)
NORTH CAROLINA STATE EDUC. ASST. AUTH. (737)	93	573,621	6,168	(80,796)	101	654,417	6,479	(1,906,468)
SOUTH CAROLINA STATE EDUCATION ASST. AUTH. (745)	51	358,990	7,039	27,972	49	331,018	6,755	(2,783,060)
VERMONT STUDENT ASSISTANCE CORPORATION (750)	38	234,683	6,176	144,433	26	90,250	3,471	(33,719)
RHODE ISLAND HIGHER EDUCATION ASST. AUTH. (744)	18	152,588	8,477	19,506	15	133,082	8,872	46,662
IOWA COLLEGE STUDENT AID COMMISSION (719)	24	125,832	5,243	32,138	16	93,694	5,856	(8,002)
EDUCATIONAL CREDIT MANAGEMENT CORP. (951)	22	120,260	5,466	(229,681)	46	349,941	7,607	64,745
EDUCATION ASSISTANCE CORPORATION (746)	12	66,850	5,571	600	12	66,250	5,521	(33,340)
OKLAHOMA GUARANTEED STUDENT LOAN PROGRAM (740)	12	56,612	4,718	(7,732)	13	64,344	4,950	(11,361)
GEORGIA HIGHER EDUCATION ASSISTANCE CORP. (713)	17	55,500	3,265	(46,374)	33	101,874	3,087	15,934
TRANSITIONAL GUARANTY AGENCY (927)	22	54,289	2,468	(172,802)	72	227,091	3,154	(74,683)
MICHIGAN HIGHER EDUCATION ASSIST. AUTH. (726)	6	48,475	8,079	(48,650)	14	97,125	6,938	55,801
CONNECTICUT STUDENT LOAN FOUNDATION (709)	8	48,200	6,025	23,900	4	24,300	6,075	(13,700)
FLORIDA DEPARTMENT OF EDUCATION (712)	7	47,082	6,726	16,717	6	30,365	5,061	(7,083)
STUDENT LOANS OF NORTH DAKOTA (738)	6	37,925	6,321	4,675	9	33,250	3,694	24,750
UTAH HIGHER EDUCATION ASSISTANCE AUTH. (749)	5	28,950	5,790	15,480	3	13,470	4,490	(2,737)
NEW HAMPSHIRE HIGHER EDUCATION SERVICES (733)	3	26,500	8,833	(31,820)	6	58,320	9,720	19,570
NORTHWEST EDUCATION LOAN ASSOCIATION (753)	8	23,937	2,992	(27,473)	14	51,410	3,672	3,285
NEW YORK STATE HIGHER EDUCATION SERVICES (736)	6	18,914	3,152	(17,186)	8	36,100	4,513	(30,802)
MAINE EDUCATION ASSISTANCE DIVISION (723)	5	14,053	2,811	(39,818)	9	53,871	5,986	11,121
NEW JERSEY HIGHER EDUCATION ASST. AUTH. (734)	3	13,000	4,333	1,381	1	11,619	11,619	(10,756)
LOUISIANA OFFICE OF STUDENT FIN. ASST. (722)	2	10,500	5,250	(377,957)	122	388,457	3,184	(784,647)
DEBT COLLECTION SERVICE (555)	2	6,625	3,313	(983,148)	347	989,773	2,852	(3,383,738)
ILLINOIS STUDENT ASSISTANCE COMMISSION (717)	1	6,500	6,500	(11,595)	3	18,095	6,032	(21,055)
CDDTS (575)	0	0	0	(9,286)	2	9,286	4,643	(88)
CSB REPAYMENT SERVICING (577)	0	0	0	0	0	0	0	(11,500)
GUARANTEED STUDENT LOAN PROGRAM (730)	0	0	0	(3,500)	1	3,500	3,500	(3,312)
TOTALS	274,331	\$1,127,162,068	\$200,678	\$78,602,745	262,719	\$1,048,559,323	\$211,833	\$131,143,692

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

Discussion Item D: **Default Prevention Summit Report**

Staff Recommendation For discussion only.

Background On September 12, 2006, TSAC hosted its first conference devoted entirely to default prevention in Nashville. The need for this conference came out of a request from TSAC participating schools to assist their students in managing debt and their school's Cohort Default Rate (CDR). We had slightly more than 50 schools and seven lenders to participate. We invited one representative from each of the schools in the state.

There were several goals of this summit. A primary goal is to at least keep, and work toward improving the current default rates at both TSAC and TSAC-participating schools. Secondary goals of the summit were to initiate a dialogue with schools regarding TSAC's upcoming product suite, and to demonstrate TSAC's commitment to leading and assisting schools with their default prevention initiatives.

The agenda topics included the following subjects:

- Characteristics of a successful Default Prevention Plan
- Review TSAC CDR history and compare to National rate
- School presentation on a successful default prevention activity
- Lender presentation on a successful default prevention activity
- Roundtable discussion on five to seven default prevention initiative possibilities
- Prioritization of initiative possibilities
- Request for a participation in a deployment and idea committee

Although TSAC does not currently offer the level of services necessary to meet school needs, this summit will go a long way to develop services that TSAC participating schools need to manage their cohort rates and assist students by limiting their borrowing and managing their debt.

Supporting Document None

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

INFORMATION A: **Tennessee Student Assistance Award Program Status Report**

Staff Recommendation For information only.

Background Tennessee Student Assistance Awards totaling \$61 million were offered to about 25,000 students for the 2006-07 year.

While our published application deadline was May 1, 2006, funding limitations meant that students who applied after March 1, 2006 did not receive awards.

Available TSAA resources for 2006-07 total about \$43 million. The Board has previously approved a 140% over-commitment strategy, which explains why \$61 million has been offered when only \$43 million is available.

The year-end figures for 2005-2006 indicate 90.74% actual expenditures, which represents 18,713 students receiving slightly over \$38.4 million.

Details are provided in the document entitled *Tennessee Student Assistance Award Program Update*, September 1, 2006

Supporting Document *Tennessee Student Assistance Award Program Update*,
September 1, 2006.

Tennessee Student Assistance Award
Program Update

September 28, 2006

Tennessee Student Assistance Corporation
Parkway Towers, Suite 1950
404 James Robertson Parkway
Nashville, Tennessee 37243-0820
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www.CollegePaysTN.com

Tennessee Student Assistance Corporation
Tennessee Student Assistance Award (TSAA) Program

	2005-06		2006-07	
	Actual Recipients		Awards through 9/1/06*	
	<u>Students</u>	<u>\$</u>	<u>Students</u>	<u>\$</u>
Independent / Four-Year	3,812	\$14,803,519	4,826	\$21,005,771
Independent / Two-Year	42	139,527	70	293,148
Private/Business and Trade	1,165	1,929,330	1,682	3,811,648
Board of Regents	6,100	11,763,026	7,483	16,924,923
University of Tennessee System	2,483	4,872,456	2,953	6,680,706
State Tech/Community Colleges	4,751	4,429,408	6,301	8,221,941
School of Nursing	1	609	0	0
Tennessee Technology Centers	<u>973</u>	<u>\$510,002</u>	<u>1,615</u>	<u>\$1,797,587</u>
	19,327	\$38,447,877	24,930	\$58,735,724
Average Award Amount		\$1,989		\$2,356

* Awards were offered to eligible students who applied by March 1, 2006. Data shown here are current as of September 1, 2006. These amounts will decline as certification rosters are completed.

TENNESSEE STUDENT ASSISTANCE CORPORATION
Tennessee Student Assistance Award

	2005-2006		2006-2007	
	Actual		Awards through 9-1-06*	
	# of students	\$	# of students	\$
<u>INDEPENDENT/FOUR-YEAR</u>				
American Baptist College	16	32,841	12	26,535
Aquinas College	69	240,333	93	429,570
Aquinas College – Primetime	17	51,054	23	91,830
Baptist Memorial College of Health	86	160,938	134	296,133
Belmont University	113	486,712	133	609,546
Bethel College	252	907,904	402	1,793,120
Bryan College	61	225,835	77	342,690
Carson-Newman College	171	723,292	208	953,832
Christian Brothers University	240	1,024,571	267	1,257,453
Crichton College	110	386,333	195	897,678
Cumberland University	163	687,275	177	817,023
David Lipscomb University	84	346,595	86	395,064
Fisk University	36	156,439	53	241,452
Free Will Baptist Bible College	10	36,507	10	45,183
Freed-Hardeman University	165	724,228	129	595,398
Johnson Bible College	21	54,089	20	61,587
King College	67	286,908	63	284,643
Lambuth University	100	438,583	111	515,520
Lane College	283	944,376	400	1,439,583
Lee University	142	577,686	189	860,349
LeMoyne-Owen College	215	867,910	278	1,277,898
Lincoln Memorial University	190	789,752	286	1,308,459
Martin Methodist College	163	592,117	239	1,108,518
Maryville College	121	543,458	120	553,362
Memphis College of Art	45	185,649	40	188,082
Milligan College	45	195,309	51	234,234
Rhodes College	27	117,332	29	129,162
South College	52	86,062	119	271,686
Southern Adventist University	33	138,887	41	190,494
Tennessee Temple University	12	26,319	8	18,192
Tennessee Wesleyan College	132	539,781	151	699,390
Trevecca Nazarene University	59	231,484	85	385,776

TENNESSEE STUDENT ASSISTANCE CORPORATION
Tennessee Student Assistance Award

	2005-2006		2006-2007	
	Actual		Awards through 9-1-06*	
	# of students	\$	# of students	\$
Tusculum College	285	1,037,547	286	1,297,275
Union University	99	434,341	140	642,552
University of the South	27	120,642	35	163,848
Vanderbilt University	76	353,001	119	543,444
Watkins Institute College of Art and Design	<u>25</u>	<u>51,429</u>	<u>17</u>	<u>39,210</u>
TOTAL:	3,812	14,803,519	4,826	21,005,771
AVERAGE AWARD:		3,883		4,353

INDEPENDENT/TWO-YEAR

Hiwassee College	35	127,638	59	261,798
John A. Guppton College	5	10,191	7	23,982
William R. Moore School of Technology	<u>2</u>	<u>1,698</u>	<u>4</u>	<u>7,368</u>
TOTAL:	42	139,527	70	293,148
AVERAGE AWARD:		3,322		4,188

PRIVATE/BUSINESS & TRADE

ConCorde Career Institute	114	211,632	77	172,413
Draughon's Junior College, Clarksville	27	48,225	8	18,504
Draughon's Junior College, Murfreesboro	70	116,313	6	13,740
Draughon's Junior College, Nashville	62	107,823	152	339,873
Electronic Computer Programming College, Inc.	50	69,374	54	121,812
Fountainhead College of Technology	16	27,372	29	66,138
High Tech Institute, Memphis***	0	0	173	397,373
High Tech Institute, Nashville	66	115,017	135	309,558
International Academy of Design & Technology ***	0	0	43	97,944
ITT Technical Institute, Knoxville	78	133,717	67	148,558
ITT Technical Institute, Memphis	0	0	12	27,624
ITT Technical Institute, Nashville	24	43,045	34	77,772
MedVance Institute	32	42,093	24	53,628
Miller-Motte Business College, Clarksville	41	75,450	52	115,112
Miller-Motte Technical College, Chattanooga	118	211,386	193	438,162
Miller-Motte Business College, Goodlettsville ***	0	0	20	43,878

TENNESSEE STUDENT ASSISTANCE CORPORATION
Tennessee Student Assistance Award

	2005-2006		2006-2007	
	Actual		Awards through 9-1-06*	
	# of students	\$	# of students	\$
Nashville Auto-Diesel College	38	56,370	45	102,762
Nashville College of Medical Careers	26	33,165	38	85,458
National College of Business & Technology, Bristol ***	0	0	18	41,460
National College of Business & Technology, Knoxville	53	84,666	59	135,390
National College of Business & Technology, Nashville	87	159,960	131	298,992
North Central Institute	5	11,322	6	13,908
Nossi College of Art	55	99,387	65	143,895
O'More College of Design	10	22,620	12	27,144
Remington College, Memphis	59	74,326	16	36,138
Remington College, Nashville	29	25,366	26	59,724
SAE Institute of Technology	1	774	13	29,562
Southeastern Career College	65	91,956	89	202,580
Vatterott College	3	4,596	20	45,378
West Tennessee Business College	<u>36</u>	<u>63,375</u>	<u>65</u>	<u>147,168</u>
TOTAL:	1,165	1,929,330	1,682	3,811,648
AVERAGE AWARD:		1,656		2,266

BOARD OF REGENTS

Austin Peay State University	739	1,429,362	914	2,072,688
East Tennessee State University	913	1,700,648	1,107	2,507,790
Middle Tennessee State University	1,220	2,371,866	1,418	3,198,096
Tennessee State University	804	1,559,929	1012	2,288,268
Tennessee Technological University	494	925,294	648	1,458,579
University of Memphis	<u>1,930</u>	<u>3,775,927</u>	<u>2,384</u>	<u>5,399,502</u>
TOTAL:	6,100	11,763,026	7,483	16,924,923
AVERAGE AWARD:		1,928		2,262

UNIVERSITY OF TENNESSEE SYSTEM

University of Tennessee, Chattanooga	559	1,031,652	721	1,634,595
University of Tennessee, Knoxville	1,169	2,400,145	25	57,018
University of Tennessee, Martin	749	1,431,410	1,316	2,972,136
University of Tennessee, Memphis-Health Science	<u>6</u>	<u>9,249</u>	<u>891</u>	<u>2,016,957</u>

TENNESSEE STUDENT ASSISTANCE CORPORATION
Tennessee Student Assistance Award

	2005-2006		2006-2007	
	Actual		Awards through 9-1-06*	
	# of students	\$	# of students	\$
TOTAL:	2,483	4,872,456	2,953	6,680,706
AVERAGE AWARD:		1,962		2,262

TENNESSEE STUDENT ASSISTANCE CORPORATION
Tennessee Student Assistance Award

	2005-2006		2006-2007	
	Actual		Awards through 9-1-06*	
	# of students	\$	# of students	\$
<u>STATE TECH/COMMUNITY COLLEGES</u>				
Chattanooga State Technical Community College	369	331,890	544	739,824
Cleveland State Community College	159	140,484	222	289,032
Columbia State Community College	251	236,184	258	332,691
Dyersburg State Community College	386	278,487	378	488,361
Jackson State Community College	305	279,828	512	661,122
Motlow State Community College	148	136,686	241	311,979
Nashville State Technical Community College	315	284,873	468	608,640
Northeast State Technical Community College	340	333,348	404	547,236
Pellissippi State Technical Community College	362	360,044	365	485,730
Roane State Community College	337	346,409	404	520,308
Southwest Tennessee Community College (Union)	1,156	1,133,163	1,582	2,043,270
Volunteer State Community College	278	245,128	402	523,302
Walters State Community College	<u>345</u>	<u>322,884</u>	<u>521</u>	<u>670,446</u>
TOTAL:	4,751	4,429,408	6,301	8,221,941
AVERAGE AWARD		932		1,305
<u>SCHOOL OF NURSING</u>				
Methodist Hospital School of Nursing **	<u>1</u>	<u>609</u>	<u>0</u>	<u>0</u>
TOTAL:	1	609	0	0
AVERAGE AWARD:		609		
<u>TENNESSEE TECHNOLOGY CENTERS</u>				
Tennessee Technology Center at Athens	16	7,628	43	49,602
Tennessee Technology Center at Chattanooga	31	18,252	45	48,159
Tennessee Technology Center at Covington	14	4,436	37	39,116
Tennessee Technology Center at Crossville	40	24,777	49	54,824
Tennessee Technology Center at Crump	25	13,326	61	70,144
Tennessee Technology Center at Dickson	33	19,388	80	88,926
Tennessee Technology Center at Elizabethton	61	30,092	75	82,634
Tennessee Technology Center at Harriman	27	16,318	62	69,996

TENNESSEE STUDENT ASSISTANCE CORPORATION
Tennessee Student Assistance Award

	2005-2006		2006-2007	
	Actual		Awards through 9-1-06*	
	# of students	\$	# of students	\$
Tennessee Technology Center at Hartsville	14	7,736	38	42,192
Tennessee Technology Center at Hohenwald	69	32,300	116	131,038
Tennessee Technology Center at Jacksboro	32	19,242	30	31,106
Tennessee Technology Center at Jackson	56	26,664	123	135,854
Tennessee Technology Center at Knoxville	66	26,964	73	82,614
Tennessee Technology Center at Livingston	34	17,690	55	61,494
Tennessee Technology Center at McKenzie	22	15,270	41	46,508
Tennessee Technology Center at McMinnville	23	12,266	51	55,538
Tennessee Technology Center at Memphis	80	40,400	162	182,192
Tennessee Technology Center at Morristown	83	46,712	83	91,276
Tennessee Technology Center at Murfreesboro	21	10,760	41	52,124
Tennessee Technology Center at Nashville	46	21,695	56	58,490
Tennessee Technology Center at Newbern	15	7,140	36	40,054
Tennessee Technology Center at Oneida/Huntsville	19	9,056	15	16,962
Tennessee Technology Center at Paris	50	27,422	74	80,444
Tennessee Technology Center at Pulaski	14	8,374	32	34,340
Tennessee Technology Center at Ripley	29	16,256	33	36,556
Tennessee Technology Center at Shelbyville	27	12,348	76	83,964
Tennessee Technology Center at Whiteville	<u>26</u>	<u>17,490</u>	<u>28</u>	<u>31,440</u>
TOTAL:	973	510,002	1,615	1,797,587
AVERAGE AWARD:		524		1,113
GRAND TOTAL	19,327	38,447,877	24,930	58,735,724
AVERAGE AWARD:		1,989		2,356

* Awards were offered to eligible students who applied by March 1, 2006. Data shown here are current as of September 1, 2006. These amounts will decline as certification rosters are completed.

** Methodist Hospital School of Nursing closed in 2006.

*** Eligible 2006-2007.

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

INFORMATION ITEM B: Merit and Loan Forgiveness Programs Status Report

Staff Recommendation

For information only.

Background

The Dependent Children Scholarship, Minority Teaching Fellows, Ned McWherter Scholars, and Tennessee Teaching Scholars are State funded programs administered by TSAC. The Robert C. Byrd Honors Scholarship is a federally funding program that is also administered by TSAC.

Available TSAC resources for 2005-06 total about \$2.4 million. The 2005-2006 year end figures indicate 944 students receiving \$2,488,404.

Details are provided in the document entitled *Tennessee Student Assistance Corporation Grant and Scholarships*, July 2, 2006

Supporting Document

Tennessee Student Assistance Corporation Grant and Scholarships, July 2, 2006.

Tennessee Student Assistance Corporation Grant and Scholarships
Program Update

September 28, 2006

Tennessee Student Assistance Corporation
Parkway Towers, Suite 1950
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Nashville, Tennessee 37243-0820
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TENNESSEE STUDENT ASSISTANCE CORPORATION
Grant and Scholarships
2005-2006 Summary Report

	Tennessee Student Assistance Award		Dependent Children Scholarship		Minority Teaching Fellows		Ned McWherter Scholars		Robert C. Byrd Honors Scholarship		Tennessee Teaching Scholars	
INDEPENDENT/FOUR-YEAR	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
American Baptist College	16	32,841										
Aquinas College	69	240,333										
Aquinas College – Primetime	17	51,054										
Baptist Memorial College of Health	86	160,938							1	750		
Belmont University	113	486,712	1	14,747			6	18,000	7	10,500	3	11,250
Bethel College	252	907,904			2	7,500			1	1,500		
Bryan College	61	225,835					1	3,000	2	3,000	1	4,500
Carson-Newman College	171	723,292			1	5,000	1	3,000	10	15,000	7	27,000
Christian Brothers University	240	1,024,571			4	14,750			3	4,500		
Crichton College	110	386,333							2	2,250	1	4,500
Cumberland University	163	687,275							1	1,500	1	4,500
David Lipscomb University	84	346,595	1	5,290	1	5,000	5	13,500	11	15,750	7	31,500
Fisk University	36	156,439			2	10,000			2	3,000		
Free Will Baptist Bible College	10	36,507							1	1,500		
Freed-Hardeman University	165	724,228			2	6,113	4	12,000	5	6,750		
Johnson Bible College	21	54,089			1	5,000			1	1,500		
King College	67	286,908							2	2,250	1	4,500
Lambuth University	100	438,583	1	5,290	2	7,500			4	6,000		
Lane College	283	944,376			1	5,000						
Lee University	142	577,686							11	15,750	4	14,625
LeMoyne-Owen College	215	867,910	1	7,544								
Lincoln Memorial University	190	789,752							2	3,000	2	2,250
Martin Methodist College	163	592,117			1	5,000			2	3,000	3	13,500
Maryville College	121	543,458					3	9,000	3	4,500	2	9,000
Memphis College of Art	45	185,649										
Milligan College	45	195,309					1	3,000	1	1,500	2	6,750
Rhodes College	27	117,332					9	27,000	3	4,500		
South College	52	86,062										
Southern Adventist University	33	138,887			1	5,000			1	750		
Tennessee Temple University	12	26,319										
Tennessee Wesleyan College	132	539,781							4	6,000	5	18,000
Trevecca Nazarene University	59	231,484					1	3,000			2	4,500
Tusculum College	285	1,037,547									2	9,000
Union University	99	434,341	1	2,645					12	18,000		
University of the South	27	120,642					2	6,000	3	4,500		
Vanderbilt University	76	353,001			3	12,500	63	180,000	8	12,000	1	4,500
Watkins Institute College of Art and Design	25	51,429										
TOTAL:	3,812	14,803,519	5	35,516	21	88,363	96	277,500	103	149,250	44	169,875
AVERAGE AWARD:		3,883										

TENNESSEE STUDENT ASSISTANCE CORPORATION
Grant and Scholarships
2005-2006 Summary Report

INDEPENDENT/TWO-YEAR	Tennessee Student Assistance Award # \$	Dependent Children Scholarship # \$	Minority Teaching Fellows # \$	Ned McWherter Scholars # \$	Robert C. Byrd Honors Scholarship # \$	Tennessee Teachin Scholars # \$
Hiwassee College	35 127,683					
John A. Gupton College	5 10,191					
William R. Moore School of Technology	2 1,698					
TOTAL:	42 139,527					
AVERAGE AWARD:	3,322					
PRIVATE/BUSINESS & TRADE						
ConCorde Career Institute	114 211,632					
Draughons Junior College, Clarksville	27 48,225					
Draughons Junior College, Murfreesboro	70 116,313					
Draughons Junior College, Nashville	62 107,823					
Electronic Computer Programming College, Inc.	50 69,374					
Fountainhead College of Technology	16 27,372					
High Tech Institute	66 115,017					
ITT Technical Institute, Knoxville	78 133,717					
ITT Technical Institute, Nashville	24 43,045					
MedVance Institute	32 42,093					
Miller-Motte Business College, Clarksville	41 75,450					
Miller-Motte Technical College, Chattanooga	118 211,386					
Nashville Auto-Diesel College	38 56,370					
Nashville College of Medical Career	26 33,165					
National College of Business & Tech, Knoxville	53 84,666					
National College of Business & Tech, Nashville	87 159,960					
North Central Institute	5 11,322					
Nossi College of Art	55 99,387					
O'More College of Design	10 22,620				1 1,500	
Remington College, Memphis	59 74,326					
Remington College, Nashville	29 25,366					
SAE Institute on Technology	1 774					
Southeastern Career College	65 91,956					
Vatterott College	3 4,596					
West Tennessee Business College	36 63,375					
TOTAL:	1,165 1,929,330				1 1,500	
AVERAGE AWARD:	1,656					

TENNESSEE STUDENT ASSISTANCE CORPORATION
Grant and Scholarships
2005-2006 Summary Report

	Tennessee Student Assistance Award		Dependent Children Scholarship		Minority Teaching Fellows		Ned McWherter Scholars		Robert C. Byrd Honors Scholarship		Tennessee Teaching Scholars	
BOARD OF REGENTS/FOUR-YEAR	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Austin Peay State University	739	1,429,362			4	20,000	1	3,000	27	36,375	6	21,937
East Tennessee State University	913	1,700,648			2	10,000	4	12,000	25	35,250	4	18,000
Middle Tennessee State University	1,220	2,371,866	6	30,125	16	80,000	6	15,000	55	77,625	11	40,500
Tennessee State University	804	1,559,929	2	8,606	10	47,500			3	4,500	8	33,750
Tennessee Technological University	494	925,294	1	5,290			5	15,000	23	31,500	14	51,750
University of Memphis	1,930	3,775,927	3	16,429	29	127,500	3	9,000	19	26,750	5	15,750
TOTAL:	6,100	11,763,026	12	60,450	61	285,000	19	54,000	152	212,000	48	181,687
AVERAGE AWARD:		1,928										

UNIVERSITY OF TENNESSEE SYSTEM

University of Tennessee, Chattanooga	559	1,031,652	2	7,852	15	72,500			23	30,000	8	31,500
University of Tennessee, Knoxville	1,169	2,400,145	3	15,870	10	47,500	48	136,500	94	138,000	40	175,500
University of Tennessee, Martin	749	1,431,410	1	5,290	6	25,541	4	12,000	31	45,232	10	40,500
University of Tennessee, Memphis	6	9,249										
TOTAL:	2,483	4,872,456	6	29,012	31	145,541	52	148,500	148	213,232	58	247,500
AVERAGE AWARD:		1,962										

BOARD OF REGENTS/TWO-YEAR

Chattanooga State Technical Community College	369	331,890							2	2,250		
Cleveland State Community College	159	140,484										
Columbia State Community College	251	236,184							2	3,000		
Dyersburg State Community College	386	278,487	2	2,104					1	1,500		
Jackson State Community College	305	279,828							3	4,500		
Motlow State Community College	148	136,686							6	8,250		
Nashville State Technical Community College	315	284,873							1	750		
Northeast State Technical Community College	340	333,348							3	3,750		
Pellissippi State Technical Community College	362	360,044	1	1,803					2	1,500		
Roane State Community College	337	346,409	1	4,570					1	1,500		
Southwest Tennessee Community College	1,156	1,133,163							1	750		
Volunteer State Community College	278	245,128							5	6,750		
Walters State Community College	345	322,884							10	12,750		
TOTAL:	4,751	4,429,408	4	8,477					37	47,250		
AVERAGE AWARD		932										

TENNESSEE STUDENT ASSISTANCE CORPORATION
Grant and Scholarships
2005-2006 Summary Report

	Tennessee Student Assistance Award		Dependent Children Scholarship		Minority Teaching Fellows		Ned McWherter Scholars		Robert C. Byrd Honors Scholarship		Tennessee Teaching Scholars	
SCHOOL OF NURSING	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
Methodist Hospital School of Nursing	1	609										
TOTAL:	1	609										
AVERAGE AWARD:		609										
TENNESSEE TECHNOLOGY CENTERS												
Tennessee Technology Center at Athens	16	7,628										
Tennessee Technology Center at Chattanooga	31	18,252										
Tennessee Technology Center at Covington	14	4,436										
Tennessee Technology Center at Crossville	40	24,777										
Tennessee Technology Center at Crump	25	13,326										
Tennessee Technology Center at Dickson	33	19,388										
Tennessee Technology Center at Elizabethton	61	30,092										
Tennessee Technology Center at Harriman	27	16,318										
Tennessee Technology Center at Hartsville	14	7,736										
Tennessee Technology Center at Hohenwald	69	32,300										
Tennessee Technology Center at Jacksboro	32	19,242										
Tennessee Technology Center at Jackson	56	26,664										
Tennessee Technology Center at Knoxville	66	26,964										
Tennessee Technology Center at Livingston	34	17,690										
Tennessee Technology Center at McKenzie	22	15,270										
Tennessee Technology Center at McMinnville	23	12,266										
Tennessee Technology Center at Memphis	80	40,400										
Tennessee Technology Center at Morristown	83	46,712										
Tennessee Technology Center at Murfreesboro	21	10,760										
Tennessee Technology Center at Nashville	46	21,695										
Tennessee Technology Center at Newbern	15	7,140										
Tennessee Technology Center at Oneida/Huntsville	19	9,056										
Tennessee Technology Center at Paris	50	27,422										
Tennessee Technology Center at Pulaski	14	8,374										
Tennessee Technology Center at Ripley	29	16,256										
Tennessee Technology Center at Shelbyville	27	12,348										
Tennessee Technology Center at Whiteville	26	17,490										
TOTAL:	973	510,002										
AVERAGE AWARD:		524										

TENNESSEE STUDENT ASSISTANCE CORPORATION
Grant and Scholarships
2005-2006 Summary Report

	Tennessee Student Assistance Award		Dependent Children Scholarship		Minority Teaching Fellows		Ned McWherter Scholars		Robert C. Byrd Honors Scholarship		Tennessee Teaching Scholars	
	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$
GRAND TOTALS												
Independent/Four-Year	3,812	14,803,519	5	35,516	21	88,363	96	277,500	103	149,250	44	169,875
Independent/Two-Year	42	139,527										
Private/Business & Trade	1,165	1,929,330							1	1,500		
Board of Regents/Four-Year	6,100	11,763,026	12	60,450	61	285,000	19	54,000	152	212,000	48	181,687
University of Tennessee System	2,483	4,872,456	6	29,012	31	145,541	52	148,500	148	213,232	58	247,500
Board of Regents/Two Year	4,751	4,429,408	4	8,478					37	47,250		
School of Nursing	1	609										
Tennessee Technology Centers	973	510,002										
Out of State *									96	133,750		
TOTAL:	19,327	38,447,877	27	133,456	113	518,904	167	480,000	537	756,982	150	599,062
AVERAGE AWARD:		1,989										

* Denotes: Robert C. Byrd Honors Program only
Updated 7-2-06

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

Information Item C:	<u>Tennessee Education Lottery Scholarship Program Status Report</u>
Staff Recommendation	For information only.
Background	<p>The Tennessee Education Lottery Scholarship program has concluded the 2005-06 award year by producing totals exceeding 56,000 students at a value of just under \$137 million dollars.</p> <p>As of September 1, 2006, just prior to fall 2006 census date for colleges and universities, the TELS program has a potential one-year award growth of about 10,000 students at a value of \$97.4 million.</p> <p>The 2005-06 award year brought about changes to include HOPE Foster Care Grants and Dual Enrollment Grants. The 2006-07 TELS program has been further expanded to include the Tennessee Math and Science Teachers Loan Forgiveness Program which is scheduled to begin summer 2007.</p> <p>Details are provided in the document entitled Tennessee Education Lottery Scholarship Program Update.</p>
Supporting Document	<i>Tennessee Education Lottery Scholarship Program Update, September 28, 2006.</i>

Tennessee Education Lottery Scholarship Program Update

September 28, 2006

Tennessee Student Assistance Corporation
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**Tennessee Education Lottery Scholarship Program
Summary Report
2006-2007 TELS Summary**

	2004-2005		2005-2006		2006-2007	
	Actual Recipients		Actual Recipients		Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
HOPE (04-05 and 05-06 includes GAM and Aspire)						
Independent / Four-Year	5,318	\$16,715,547	7,134	\$25,376,393	6,301	\$23,725,300
Independent / Two-Year	110	182,750	77	135,938	75	141,550
Private/Business Trade	0	0	48	146,330	48	180,500
University of Tennessee System	8,041	24,724,303	11,437	37,808,755	10,801	41,043,800
Board of Regents / Four-Years	11,231	34,715,484	14,518	50,135,977	13,598	51,663,600
State Tech/Community Colleges	6,572	10,312,105	7,061	12,742,521	5,270	9,987,435
TOTAL	31,272	\$86,650,189	40,275	\$126,345,913	36,093	\$126,742,185
HOPE w/ GAM						
Independent / Four-Year	0	\$0	0	\$0	1,400	\$6,520,800
Independent / Two-Year	0	0	0	0	0	0
Private/Business Trade	0	0	0	0	2	9,600
University of Tennessee System	0	0	0	0	1,784	8,563,200
Board of Regents / Four-Year	0	0	0	0	1,030	4,944,000
State Tech/Community Colleges	0	0	0	0	19	54,738
TOTAL	0	\$0	0	\$0	4,235	\$20,092,338
HOPE w/ Aspire						
Independent / Four-Year	0	\$0	0	\$0	2,629	\$13,821,738
Independent / Two-Year	0	0	0	0	48	163,200
Private/Business Trade	0	0	0	0	15	74,200
University of Tennessee System	0	0	0	0	3,220	17,066,000
Board of Regents / Four-Year	0	0	0	0	5,475	29,006,900
State Tech/Community Colleges	0	0	0	0	2,850	9,643,264
TOTAL	0	\$0	0	\$0	14,237	\$69,775,302
HOPE Foster Care Grant						
Independent / Four-Year	0	\$0	0	\$0	0	\$0
Independent / Two-Year	0	0	0	0	0	0
Private/Business Trade	0	0	0	0	0	0
University of Tennessee System	0	0	6	16,970	0	0
Board of Regents / Four-Year	0	0	16	51,739	0	0
State Tech/Community Colleges	0	0	8	19,536	0	0
TOTAL	0	\$0	30	\$88,245	0	\$0
HOPE Access Grant						
Independent / Four-Year	12	\$21,000	25	\$54,000	52	\$136,475
Independent / Two-Year	1	1,250	1	1,575	3	5,100
Private/Business Trade	0	0	0	0	0	0
University of Tennessee System	16	24,779	48	95,122	67	173,575
Board of Regents / Four-Year	37	61,000	124	257,100	207	548,550
State Tech/Community Colleges	42	44,531	67	82,497	144	243,100
TOTAL	108	\$152,560	265	\$490,294	473	\$1,106,800
Wilder-Naifeh Technical Skills Grant						
	8,815	\$6,613,273	10,023	\$7,860,163	11,166	\$16,572,062
Dual Enrollment Grant						
Independent / Four-Year	0	\$0	388	\$162,610	0	\$0
Independent / Two-Year	0	0	52	24,080	0	0
Private/Business Trade	0	0	0	0	0	0
University of Tennessee System	0	0	574	244,800	0	0
Board of Regents / Four-Year	0	0	97	48,757	0	0
State Tech/Community Colleges	0	0	3,825	1,400,359	0	0
Technology Centers	0	0	529	179,750	0	0
TOTAL	0	\$0	5,465	\$2,060,356	0	\$0
ALL PROGRAMS						
Independent / Four-Year	5,330	\$16,736,547	7,547	\$25,593,003	10,382	\$44,204,313
Independent / Two-Year	111	184,000	130	161,593	126	309,850
Private/Business Trade	0	0	48	146,330	65	264,300
University of Tennessee System	8,057	24,749,082	12,065	38,165,647	15,872	66,846,575
Board of Regents / Four-Year	11,268	34,776,484	14,755	50,493,573	20,310	86,163,050
State Tech/Community Colleges	6,614	10,356,636	10,961	14,244,912	8,283	19,928,537
Technology Centers	8,815	6,613,273	10,552	8,039,913	11,166	16,572,062
GRAND TOTAL	40,195	\$93,416,022	56,058	\$136,844,971	66,204	\$234,288,687

Tennessee Education Lottery Scholarship Program
HOPE
(04-05 and 05-06 includes General Assembly Merit and Aspire)
Awards By Institution

	2004-2005		2005-2006		2006-2007	
	Actual Recipients		Actual Recipients		Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
Independent / Four -Year						
Aquinas College	32	\$81,000	36	\$109,686	38	\$144,400
Baptist Mem. Coll. Health & Sci.	48	149,625	80	269,100	94	357,200
Belmont University	386	1,180,375	568	1,960,240	538	2,044,400
Bethel College	147	456,600	183	666,700	171	649,800
Bryan College	59	192,000	103	374,700	100	361,000
Carson Newman College	390	1,246,500	484	1,693,922	428	1,626,400
Christian Brothers University	263	838,125	327	1,172,325	286	1,077,300
Crichton College	27	74,125	38	121,400	40	152,000
Cumberland University	194	599,500	264	896,350	239	906,300
David Lipscomb University	462	1,436,203	607	2,119,875	529	2,010,200
Fisk University	48	157,500	73	280,150	43	163,400
Free Will Baptist Bible College	23	73,000	26	89,825	22	83,600
Freed Hardeman University	257	788,397	320	1,114,920	270	1,026,000
Johnson Bible College	35	96,500	48	168,750	53	201,400
King College	125	404,500	193	662,617	190	720,100
Lambuth University	207	635,000	241	835,150	215	817,000
Lane College	48	156,125	58	233,400	24	91,200
Lee University	266	818,250	373	1,350,787	319	1,212,200
LeMoyne-Owen College	34	118,500	30	119,250	12	45,600
Lincoln Memorial University	133	410,000	156	588,966	129	488,300
Martin Methodist University	90	276,500	138	485,588	153	581,400
Maryville College	352	1,102,950	459	1,621,350	419	1,592,200
Memphis College of Art	16	53,000	22	79,800	28	106,400
Milligan College	97	292,500	119	396,600	112	425,600
Rhodes College	205	685,000	257	942,175	206	780,900
South College	14	30,665	14	40,400	15	57,000
Southern Adventist University	116	360,500	163	526,075	171	649,800
Tennessee Wesleyan College	176	535,262	253	872,300	228	866,400
Trevecca Nazarene University	117	357,000	141	473,250	135	513,000
Tusculum College	155	445,225	200	716,500	176	668,800
Union University	313	986,788	429	1,550,500	420	1,596,000
University of the South	106	341,000	145	535,764	131	497,800
Vanderbilt University	355	1,270,707	543	2,159,090	321	1,045,000
Watkins Inst. Coll. Of Art & Des.	22	66,625	43	148,888	46	167,200
TOTAL	5,318	\$16,715,547	7,134	\$25,376,393	6,301	\$23,725,300
Independent / Two-Year						
Hiwassee College	105	\$174,000	71	\$124,613	69	\$130,150
John A. Guppton College	5	8,750	6	11,325	6	11,400
TOTAL	110	\$182,750	77	\$135,938	75	\$141,550
Private / Business & Trade						
O'More College of Design	0	\$0	48	\$146,330	48	\$180,500

Tennessee Education Lottery Scholarship Program
HOPE
(04-05 and 05-06 includes General Assembly Merit and Aspire)
Awards By Institution

	2004-2005		2005-2006		2006-2007	
	Actual Recipients		Actual Recipients		Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
University of Tennessee System						
University of TN, Chattanooga	1,684	\$5,040,313	2,621	\$7,113,678	2,163	\$8,219,400
University of TN, Health Sci. Ctr.	0	0	6	19,800	15	57,000
University of TN, Knoxville	5,045	15,623,196	7,024	24,428,437	6,995	26,581,000
University of TN, Martin	1,312	4,060,794	1,786	6,246,840	1,628	6,186,400
TOTAL	8,041	\$24,724,303	11,437	\$37,808,755	10,801	\$41,043,800
Board of Regents / Four-Year						
Austin Peay State University	1,145	\$3,456,863	1,470	\$5,057,277	1,372	\$5,213,600
East Tennessee State University	1,654	5,138,085	2,335	8,076,336	2,271	8,628,850
Middle Tennessee State University	3,869	11,753,958	5,034	17,243,122	4,679	17,778,300
Tennessee State University	534	1,718,655	531	1,842,981	386	1,464,900
Tennessee Technological Univer.	1,901	5,876,152	2,385	8,224,070	2,330	8,852,100
University of Memphis	2,158	6,771,771	2,763	9,692,192	2,560	9,725,850
TOTAL	11,261	\$34,715,484	14,518	\$50,135,977	13,598	\$51,663,600
State Tech / Community Colleges						
Chattanooga State Tech Com Coll	436	\$680,681	498	\$877,449	371	\$695,685
Cleveland State Comm College	349	553,252	343	646,666	256	486,400
Columbia State Comm College	589	927,003	609	1,081,655	469	883,500
Dyersburg State Comm College	242	383,168	225	414,434	152	288,800
Jackson State Comm College	457	711,134	458	844,559	334	633,650
Motlow State Comm College	513	790,065	555	901,926	415	788,500
Nashville State Comm College	200	290,086	216	371,338	140	259,350
Northeast State Tech Comm Coll	437	708,864	512	969,483	428	813,200
Pellissippi State Tech Comm Coll	822	1,242,580	962	1,669,780	761	1,445,900
Roane State Community College	794	1,313,253	833	1,641,606	604	1,147,600
Soutwest Tennessee Comm Coll	260	410,259	238	428,830	210	399,000
Volunteer State Community Coll	650	1,022,343	711	1,269,295	567	1,076,350
Walters State Community College	823	1,279,419	901	1,625,501	563	1,069,500
TOTAL	6,572	\$10,312,107	7,061	\$12,742,521	5,270	\$9,987,435
Total Awards By Institution Type						
Independent / Four-Year	5,318	\$16,715,547	7,134	\$25,376,393	6,301	\$23,725,300
Independent / Two-Year	110	182,750	77	135,938	75	141,550
Private / Business & Trade	0	0	48	146,330	48	180,500
University of Tennessee System	8,041	\$24,724,303	11,437	\$37,808,755	10,801	\$41,043,800
Board of Regents / Four-Year	11,261	\$34,715,484	14,518	\$50,135,977	13,598	\$51,663,600
State Tech / Community Colleges	6,572	\$10,312,107	7,061	\$12,742,521	5,270	\$9,987,435
GRAND TOTAL	31,302	\$86,650,191	40,275	\$126,345,913	36,093	\$126,742,185

**Tennessee Education Lottery Scholarship Program
HOPE w/ GAM
Awards By Institution**

	2004-2005 Actual Recipients		2005-2006 Actual Recipients		2006-2007 Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
Independent / Four -Year						
Aquinas College	0	\$0	0	\$0	0	\$0
Baptist Mem. Coll. Health & Sci.	0	0	0	0	0	0
Belmont University	0	0	0	0	126	604,800
Bethel College	0	0	0	0	3	14,400
Bryan College	0	0	0	0	10	45,600
Carson Newman College	0	0	0	0	65	312,000
Christian Brothers University	0	0	0	0	35	168,000
Crichton College	0	0	0	0	2	9,600
Cumberland University	0	0	0	0	5	24,000
David Lipscomb University	0	0	0	0	119	571,200
Fisk University	0	0	0	0	1	4,800
Free Will Baptist Bible College	0	0	0	0	1	4,800
Freed Hardeman University	0	0	0	0	42	201,600
Johnson Bible College	0	0	0	0	1	4,800
King College	0	0	0	0	17	81,600
Lambuth University	0	0	0	0	30	144,000
Lane College	0	0	0	0	0	0
Lee University	0	0	0	0	46	220,800
LeMoyne-Owen College	0	0	0	0	0	0
Lincoln Memorial University	0	0	0	0	10	48,000
Martin Methodist University	0	0	0	0	9	43,200
Maryville College	0	0	0	0	81	388,800
Memphis College of Art	0	0	0	0	1	4,800
Milligan College	0	0	0	0	19	91,200
Rhodes College	0	0	0	0	125	600,000
South College	0	0	0	0	0	0
Southern Adventist University	0	0	0	0	12	57,600
Tennessee Wesleyan College	0	0	0	0	8	38,400
Trevecca Nazarene University	0	0	0	0	11	52,800
Tusculum College	0	0	0	0	6	28,800
Union University	0	0	0	0	87	417,600
University of the South	0	0	0	0	61	292,800
Vanderbilt University	0	0	0	0	466	2,040,000
Watkins Inst. Coll. Of Art & Des.	0	0	0	0	1	4,800
TOTAL	0	\$0	0	\$0	1,400	\$6,520,800
Independent / Two-Year						
Hiwassee College	0	\$0	0	\$0	0	\$0
John A. Gupton College	0	0	0	0	0	0
TOTAL	0	\$0	0	\$0	0	\$0
Private / Business & Trade						
O'More College of Design	0	\$0	0	\$0	2	\$9,600

**Tennessee Education Lottery Scholarship Program
HOPE w/ GAM
Awards By Institution**

	2004-2005 Actual Recipients		2005-2006 Actual Recipients		2006-2007 Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
University of Tennessee System						
University of TN, Chattanooga	0	\$0	0	\$0	175	\$840,000
University of TN, Health Sci. Ctr.	0	0	0	0	0	0
University of TN, Knoxville	0	0	0	0	1,502	7,209,600
University of TN, Martin	0	0	0	0	107	513,600
TOTAL	0	\$0	0	\$0	1,784	\$8,563,200
Board of Regents / Four-Year						
Austin Peay State University	0	\$0	0	\$0	64	\$307,200
East Tennessee State University	0	0	0	0	194	931,200
Middle Tennessee State University	0	0	0	0	323	1,550,400
Tennessee State University	0	0	0	0	6	28,800
Tennessee Technological Univer.	0	0	0	0	286	1,372,800
University of Memphis	0	0	0	0	157	753,600
TOTAL	0	\$0	0	\$0	1,030	\$4,944,000
State Tech / Community Colleges						
Chattanooga State Tech Com Coll	0	\$0	0	\$0	1	\$2,538
Cleveland State Comm College	0	0	0	0	0	0
Columbia State Comm College	0	0	0	0	2	5,800
Dyersburg State Comm College	0	0	0	0	2	5,800
Jackson State Comm College	0	0	0	0	1	2,900
Motlow State Comm College	0	0	0	0	1	2,900
Nashville State Comm College	0	0	0	0	0	0
Northeast State Tech Comm Coll	0	0	0	0	1	2,900
Pellissippi State Tech Comm Coll	0	0	0	0	4	11,600
Roane State Community College	0	0	0	0	0	0
Soutwest Tennessee Comm Coll	0	0	0	0	1	2,900
Volunteer State Community Coll	0	0	0	0	4	11,600
Walters State Community College	0	0	0	0	2	5,800
TOTAL	0	\$0	0	\$0	19	\$54,738
Total Awards By Institution Type						
Independent / Four-Year	0	\$0	0	\$0	1,400	\$6,520,800
Independent / Two-Year	0	0	0	0	0	0
Private / Business & Trade	0	0	0	0	2	9,600
University of Tennessee System	0	0	0	0	1,784	8,563,200
Board of Regents / Four-Year	0	0	0	0	1,030	4,944,000
State Tech / Community Colleges	0	0	0	0	19	54,738
GRAND TOTAL	0	\$0	0	\$0	4,235	\$20,092,338

**Tennessee Education Lottery Scholarship Program
HOPE w/ Aspire
Awards By Institution**

	2004-2005 Actual Recipients		2005-2006 Actual Recipients		2006-2007 Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
Independent / Four -Year						
Aquinas College	0	\$0	0	\$0	15	\$79,500
Baptist Mem. Coll. Health & Sci.	0	0	0	0	29	153,700
Belmont University	0	0	0	0	131	691,650
Bethel College	0	0	0	0	99	524,700
Bryan College	0	0	0	0	55	283,550
Carson Newman College	0	0	0	0	172	908,950
Christian Brothers University	0	0	0	0	126	659,850
Crichton College	0	0	0	0	27	143,100
Cumberland University	0	0	0	0	102	540,600
David Lipscomb University	0	0	0	0	144	763,200
Fisk University	0	0	0	0	50	265,000
Free Will Baptist Bible College	0	0	0	0	14	74,200
Freed Hardeman University	0	0	0	0	92	487,600
Johnson Bible College	0	0	0	0	23	121,900
King College	0	0	0	0	67	355,100
Lambuth University	0	0	0	0	76	402,800
Lane College	0	0	0	0	63	333,900
Lee University	0	0	0	0	164	869,200
LeMoyne-Owen College	0	0	0	0	27	143,100
Lincoln Memorial University	0	0	0	0	121	641,300
Martin Methodist University	0	0	0	0	88	466,400
Maryville College	0	0	0	0	150	795,000
Memphis College of Art	0	0	0	0	20	106,000
Milligan College	0	0	0	0	35	185,500
Rhodes College	0	0	0	0	59	312,700
South College	0	0	0	0	13	68,900
Southern Adventist University	0	0	0	0	30	159,000
Tennessee Wesleyan College	0	0	0	0	93	492,900
Trevecca Nazarene University	0	0	0	0	51	270,300
Tusculum College	0	0	0	0	96	508,800
Union University	0	0	0	0	148	784,400
University of the South	0	0	0	0	42	222,600
Vanderbilt University	0	0	0	0	195	948,700
Watkins Inst. Coll. Of Art & Des.	0	0	0	0	12	57,638
TOTAL	0	\$0	0	\$0	2,629	\$13,821,738
Independent / Two-Year						
Hiwassee College	0	\$0	0	\$0	43	\$146,200
John A. Gupton College	0	0	0	0	5	17,000
TOTAL	0	\$0	0	\$0	48	\$163,200
Private / Business & Trade						
O'More College of Design	0	\$0	0	\$0	15	\$74,200

**Tennessee Education Lottery Scholarship Program
HOPE w/ Aspire
Awards By Institution**

	2004-2005 Actual Recipients		2005-2006 Actual Recipients		2006-2007 Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
University of Tennessee System						
University of TN, Chattanooga	0	\$0	0	\$0	734	\$3,890,200
University of TN, Health Sci. Ctr.	0	0	0	0	30	159,000
University of TN, Knoxville	0	0	0	0	1,785	9,460,500
University of TN, Martin	0	0	0	0	671	3,556,300
TOTAL	0	\$0	0	\$0	3,220	\$17,066,000
Board of Regents / Four-Year						
Austin Peay State University	0	\$0	0	\$0	656	\$3,474,150
East Tennessee State University	0	0	0	0	914	4,844,200
Middle Tennessee State University	0	0	0	0	1,516	8,034,800
Tennessee State University	0	0	0	0	371	1,961,000
Tennessee Technological Univer.	0	0	0	0	842	4,462,600
University of Memphis	0	0	0	0	1,176	6,230,150
TOTAL	0	\$0	0	\$0	5,475	\$29,006,900
State Tech / Community Colleges						
Chattanooga State Tech Com Coll	0	\$0	0	\$0	170	\$563,564
Cleveland State Comm College	0	0	0	0	139	472,600
Columbia State Comm College	0	0	0	0	206	688,500
Dyersburg State Comm College	0	0	0	0	115	391,000
Jackson State Comm College	0	0	0	0	207	703,800
Motlow State Comm College	0	0	0	0	190	644,300
Nashville State Comm College	0	0	0	0	103	336,600
Northeast State Tech Comm Coll	0	0	0	0	214	727,600
Pellissippi State Tech Comm Coll	0	0	0	0	332	1,128,800
Roane State Community College	0	0	0	0	379	1,288,600
Soutwest Tennessee Comm Coll	0	0	0	0	141	477,700
Volunteer State Community Coll	0	0	0	0	268	909,500
Walters State Community College	0	0	0	0	386	1,310,700
TOTAL	0	\$0	0	\$0	2,850	\$9,643,264
Total Awards By Institution Type						
Independent / Four-Year	0	\$0	0	\$0	2,629	\$13,821,738
Independent / Two-Year	0	0	0	0	48	163,200
Private / Business & Trade	0	0	0	0	15	74,200
University of Tennessee System	0	0	0	0	3,220	17,066,000
Board of Regents / Four-Year	0	0	0	0	5,475	29,006,900
State Tech / Community Colleges	0	0	0	0	2,850	9,643,264
GRAND TOTAL	0	\$0	0	\$0	14,237	\$69,775,302

**Tennessee Education Lottery Scholarship Program
HOPE Foster Care Grant
Awards By Institution**

	2004-2005		2005-2006		2006-2007	
	Actual Recipients		Actual Recipients		Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
Independent / Four -Year						
Aquinas College	0	\$0	0	\$0	0	\$0
Baptist Mem. Coll. Health & Sci.	0	0	0	0	0	0
Belmont University	0	0	0	0	0	0
Bethel College	0	0	0	0	0	0
Bryan College	0	0	0	0	0	0
Carson Newman College	0	0	0	0	0	0
Christian Brothers University	0	0	0	0	0	0
Crichton College	0	0	0	0	0	0
Cumberland University	0	0	0	0	0	0
David Lipscomb University	0	0	0	0	0	0
Fisk University	0	0	0	0	0	0
Free Will Baptist Bible College	0	0	0	0	0	0
Freed Hardeman University	0	0	0	0	0	0
Johnson Bible College	0	0	0	0	0	0
King College	0	0	0	0	0	0
Lambuth University	0	0	0	0	0	0
Lane College	0	0	0	0	0	0
Lee University	0	0	0	0	0	0
LeMoyne-Owen College	0	0	0	0	0	0
Lincoln Memorial University	0	0	0	0	0	0
Martin Methodist University	0	0	0	0	0	0
Maryville College	0	0	0	0	0	0
Memphis College of Art	0	0	0	0	0	0
Milligan College	0	0	0	0	0	0
Rhodes College	0	0	0	0	0	0
South College	0	0	0	0	0	0
Southern Adventist University	0	0	0	0	0	0
Tennessee Wesleyan College	0	0	0	0	0	0
Trevecca Nazarene University	0	0	0	0	0	0
Tusculum College	0	0	0	0	0	0
Union University	0	0	0	0	0	0
University of the South	0	0	0	0	0	0
Vanderbilt University	0	0	0	0	0	0
Watkins Inst. Coll. Of Art & Des.	0	0	0	0	0	0
TOTAL	0	\$0	0	\$0	0	\$0
Independent / Two-Year						
Hiwassee College	0	\$0	0	\$0	0	\$0
John A. Gupton College	0	0	0	0	0	0
TOTAL	0	\$0	0	\$0	0	\$0
Private / Business & Trade						
O'More College of Design	0	\$0	0	\$0	0	\$0
University of Tennessee System						
University of TN, Chattanooga	0	\$0	3	\$10,966	0	\$0
University of TN, Health Sci. Ctr.	0	0	0	0	0	0
University of TN, Knoxville	0	0	1	2,798	0	0
University of TN, Martin	0	0	2	3,206	0	0
TOTAL	0	\$0	6	\$16,970	0	\$0

**Tennessee Education Lottery Scholarship Program
HOPE Foster Care Grant
Awards By Institution**

	2004-2005 Actual Recipients		2005-2006 Actual Recipients		2006-2007 Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
Board of Regents / Four-Year						
Austin Peay State University	0	\$0	4	\$9,839	0	\$0
East Tennessee State University	0	0	4	18,709	0	0
Middle Tennessee State University	0	0	2	7,136	0	0
Tennessee State University	0	0	1	2,317	0	0
Tennessee Technological Univer.	0	0	1	3,140	0	0
University of Memphis	0	0	4	10,598	0	0
TOTAL	0	\$0	16	\$51,739	0	\$0
State Tech / Community Colleges						
Chattanooga State Tech Com Coll	0	\$0	0	\$0	0	\$0
Cleveland State Comm College	0	0	2	2,406	0	0
Columbia State Comm College	0	0	1	795	0	0
Dyersburg State Comm College	0	0	0	0	0	0
Jackson State Comm College	0	0	1	6,500	0	0
Motlow State Comm College	0	0	0	0	0	0
Nashville State Comm College	0	0	0	0	0	0
Northeast State Tech Comm Coll	0	0	1	3,469	0	0
Pellissippi State Tech Comm Coll	0	0	2	4,631	0	0
Roane State Community College	0	0	1	1,735	0	0
Soutwest Tennessee Comm Coll	0	0	0	0	0	0
Volunteer State Community Coll	0	0	0	0	0	0
Walters State Community College	0	0	0	0	0	0
TOTAL	0	\$0	8	\$19,536	0	\$0
Total Awards By Institution Type						
Independent / Four-Year	0	\$0	0	\$0	0	\$0
Independent / Two-Year	0	0	0	0	0	0
Private Business / Trade	0	0	0	0	0	0
University of Tennessee System	0	0	6	16,970	0	0
Board of Regents / Four-Year	0	0	16	51,739	0	0
State Tech / Community Colleges	0	0	8	19,536	0	0
GRAND TOTAL	0	\$0	30	\$88,245	0	\$0

**Tennessee Education Lottery Scholarship Program
HOPE Access Grant
Awards By Institution**

	2004-2005 Actual Recipients		2005-2006 Actual Recipients		2006-2007 Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
Independent / Four-Year						
Aquinas College	1	\$2,000	0	\$0	0	\$0
Baptist Mem. Coll. Health & Sci.	0	0	1	1,200	0	0
Belmont University	0	0	1	2,400	1	2,650
Bethel College	0	0	3	7,200	5	13,250
Bryan College	0	0	1	2,400	1	1,325
Carson Newman College	0	0	2	3,600	6	15,900
Christian Brothers University	1	2,000	0	0	3	7,950
Crichton College	0	0	0	0	1	2,650
Cumberland University	2	4,000	1	1,200	4	10,600
David Lipscomb University	1	2,000	0	0	0	0
Fisk University	1	1,000	0	0	1	2,650
Free Will Baptist Bible College	0	0	0	0	0	0
Freed Hardeman University	0	0	1	2,400	2	5,300
Johnson Bible College	0	0	0	0	1	2,650
King College	1	2,000	0	0	0	0
Lambuth University	0	0	0	0	1	2,650
Lane College	1	1,000	1	1,200	0	0
Lee University	0	0	1	2,400	2	5,300
LeMoyne-Owen College	1	2,000	1	2,400	1	2,650
Lincoln Memorial University	0	0	3	7,200	4	10,600
Martin Methodist University	1	2,000	2	4,800	2	5,300
Maryville College	1	2,000	2	4,800	2	5,300
Memphis College of Art	0	0	0	0	0	0
Milligan College	0	0	0	0	0	0
Rhodes College	0	0	0	0	0	0
South College	0	0	0	0	4	10,600
Southern Adventist University	0	0	0	0	0	0
Tennessee Wesleyan College	1	1,000	3	6,000	5	13,250
Trevecca Nazarene University	0	0	2	4,800	2	5,300
Tusculum College	0	0	0	0	0	0
Union University	0	0	0	0	2	5,300
University of the South	0	0	0	0	1	2,650
Vanderbilt University	0	0	0	0	1	2,650
Watkins Inst. Coll. Of Art & Des.	0	0	0	0	0	0
TOTAL	12	\$21,000	25	\$54,000	52	\$136,475
Independent / Two-Year						
Hiwassee College	1	\$1,250	0	\$0	3	\$5,100
John A. Guppton College	0	0	1	1,575	0	0
TOTAL	1	\$1,250	1	\$1,575	3	\$5,100
Private / Business & Trade						
O'More College of Design	0	\$0	0	\$0	0	\$0

**Tennessee Education Lottery Scholarship Program
HOPE Access Grant
Awards By Institution**

	2004-2005		2005-2006		2006-2007	
	Actual Recipients		Actual Recipients		Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
University of Tennessee System						
University of TN, Chattanooga	8	\$16,000	16	\$30,000	37	\$98,050
University of TN, Health Sci. Ctr.	0	0	0	0	0	0
University of TN, Knoxville	3	3,779	11	20,722	10	22,525
University of TN, Martin	5	5,000	21	44,400	20	53,000
TOTAL	16	\$24,779	48	\$95,122	67	\$173,575
Board of Regents / Four-Year						
Austin Peay State University	8	\$15,000	19	\$36,000	31	\$82,150
East Tennessee State University	1	2,000	11	22,800	17	45,050
Middle Tennessee State University	7	9,000	35	69,900	31	82,150
Tennessee State University	7	11,000	10	22,800	27	71,550
Tennessee Technological Univer.	2	2,000	10	19,200	17	45,050
University of Memphis	12	22,000	39	86,400	84	222,600
TOTAL	37	\$61,000	124	\$257,100	207	\$548,550
State Tech / Community Colleges						
Chattanooga State Tech Com Coll	0	\$0	1	\$1,575	11	\$18,700
Cleveland State Comm College	2	1,250	7	8,663	8	13,600
Columbia State Comm College	1	937	5	5,514	8	12,750
Dyersburg State Comm College	4	2,500	7	6,890	12	20,400
Jackson State Comm College	6	7,344	7	10,632	13	22,100
Motlow State Comm College	5	5,625	10	10,634	12	20,400
Nashville State Comm College	3	3,125	0	0	9	14,450
Northeast State Tech Comm Coll	5	5,000	1	1,575	7	11,900
Pellissippi State Tech Comm Coll	8	8,750	6	7,677	19	32,300
Roane State Community College	3	3,750	11	14,571	16	27,200
Soutwest Tennessee Comm Coll	0	0	0	0	10	17,000
Volunteer State Community Coll	1	1,250	5	6,891	7	11,900
Walters State Community College	4	5,000	7	7,875	12	20,400
TOTAL	42	\$44,531	67	\$82,497	144	\$243,100
Total Awards By Institution Type						
Independent / Four-Year	12	\$21,000	25	\$54,000	52	\$136,475
Independent / Two-Year	1	1,250	1	1,575	3	5,100
Private / Business & Trade	0	0	0	0	0	0
University of Tennessee System	16	24,779	48	95,122	67	173,575
Board of Regents / Four-Year	37	61,000	124	257,100	207	548,550
State Tech / Community Colleges	42	44,531	67	82,497	144	243,100
GRAND TOTAL	108	\$152,560	265	\$490,294	473	\$1,106,800

**Tennessee Education Lottery Scholarship Program
Wilder-Naifeh Technical Skills Grant
Awards By Institution**

	2004-2005		2005-2006		2006-2007	
	Actual Recipients		Actual Recipients		Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
Technology Centers						
TN Tech Center at Athens	151	\$149,372	197	\$165,981	265	\$392,434
TN Tech Center at Chattanooga	506	409,534	505	466,953	361	468,326
TN Tech Center at Covington	133	98,608	160	117,032	180	268,933
TN Tech Center at Crossville	267	211,538	310	253,674	372	556,964
TN Tech Center at Crump	262	176,060	279	206,856	315	471,000
TN Tech Center at Dickson	358	262,837	423	346,240	514	769,000
TN Tech Center at Elizabethton	405	302,078	484	382,182	522	780,000
TN Tech Center at Harriman	197	179,712	193	180,317	303	450,500
TN Tech Center at Hartsville	194	165,508	208	177,533	274	409,500
TN Tech Center at Hohenwald	333	266,368	387	325,838	415	619,000
TN Tech Center at Jacksboro	193	131,768	180	142,030	219	318,207
TN Tech Center at Jackson	499	398,675	510	406,106	695	1,037,566
TN Tech Center at Knoxville	507	382,651	610	479,799	696	1,041,000
TN Tech Center at Livingston	357	269,123	377	311,492	422	629,508
TN Tech Center at McKenzie	290	201,403	268	212,246	265	364,623
TN Tech Center at McMinnville	216	171,877	221	180,170	381	567,200
TN Tech Center at Memphis	694	542,387	753	614,770	956	1,428,734
TN Tech Center at Morristown	788	521,168	952	571,272	740	1,105,000
TN Tech Center at Murfreesboro	242	210,400	302	266,124	329	493,000
TN Tech Center at Nashville	571	399,025	656	469,627	603	902,000
TN Tech Center at Newbern	230	149,543	196	162,662	240	360,000
TN Tech Center at Oneida	93	67,893	111	72,562	184	274,500
TN Tech Center at Paris	327	227,146	387	305,385	475	709,000
TN Tech Center at Pulaski	215	152,341	371	292,211	417	625,000
TN Tech Center at Ripley	170	121,760	231	171,098	158	236,067
TN Tech Center at Shelbyville	433	314,477	557	410,339	695	1,041,500
TN Tech Center at Whiteville	184	130,053	195	169,663	170	253,500
TOTAL	8,815	\$6,613,305	10,023	\$7,860,163	11,166	\$16,572,062

**Tennessee Education Lottery Scholarship Program
Dual Enrollment Grant
Awards By Institution**

	2004-2005 Actual Recipients		2005-2006 Actual Recipients		2006-2007 Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
Independent / Four -Year						
Aquinas College	0	\$0	2	\$600	0	\$0
Baptist Mem. Coll. Health & Sci.	0	\$0	0	0	0	0
Belmont University	0	\$0	0	0	0	0
Bethel College	0	\$0	0	0	0	0
Bryan College	0	\$0	2	600	0	0
Carson Newman College	0	\$0	17	6,600	0	0
Christian Brothers University	0	\$0	74	34,935	0	0
Crichton College	0	\$0	11	4,800	0	0
Cumberland University	0	\$0	53	30,600	0	0
David Lipscomb University	0	\$0	26	9,300	0	0
Fisk University	0	\$0	0	0	0	0
Free Will Baptist Bible College	0	\$0	0	0	0	0
Freed Hardeman University	0	\$0	46	20,100	0	0
Johnson Bible College	0	\$0	0	0	0	0
King College	0	\$0	37	10,600	0	0
Lambuth University	0	\$0	0	0	0	0
Lane College	0	\$0	0	0	0	0
Lee University	0	\$0	33	10,875	0	0
LeMoyne-Owen College	0	\$0	0	0	0	0
Lincoln Memorial University	0	\$0	0	0	0	0
Martin Methodist University	0	\$0	83	32,400	0	0
Maryville College	0	\$0	1	300	0	0
Memphis College of Art	0	\$0	0	0	0	0
Milligan College	0	\$0	0	0	0	0
Rhodes College	0	\$0	0	0	0	0
South College	0	\$0	0	0	0	0
Southern Adventist University	0	\$0	0	0	0	0
Tennessee Wesleyan College	0	\$0	0	0	0	0
Trevecca Nazarene University	0	\$0	0	0	0	0
Tusculum College	0	\$0	0	0	0	0
Union University	0	\$0	3	900	0	0
University of the South	0	\$0	0	0	0	0
Vanderbilt University	0	\$0	0	0	0	0
Watkins Inst. Coll. Of Art & Des.	0	\$0	0	0	0	0
TOTAL	0	\$0	388	\$162,610	0	\$0
Independent / Two-Year						
Hiwassee College	0	\$0	52	\$24,080	0	\$0
John A. Gupton College	0	0	0	0	0	0
TOTAL	0	\$0	52	\$24,080	0	\$0
Private / Business & Trade						
O'More College of Design	0	\$0	0	\$0	0	\$0

**Tennessee Education Lottery Scholarship Program
Dual Enrollment Grant
Awards By Institution**

	2004-2005 Actual Recipients		2005-2006 Actual Recipients		2006-2007 Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
University of Tennessee System						
University of TN, Chattanooga	0	\$0	27	\$12,300	0	\$0
University of TN, Health Sci. Ctr.	0	\$0	0	0	0	0
University of TN, Knoxville	0	\$0	3	1,200	0	0
University of TN, Martin	0	\$0	544	231,300	0	0
TOTAL	0	\$0	574	\$244,800	0	\$0
Board of Regents / Four-Year						
Austin Peay State University	0	\$0	16	\$8,400	0	\$0
East Tennessee State University	0	\$0	21	6,900	0	0
Middle Tennessee State University	0	\$0	9	4,800	0	0
Tennessee State University	0	\$0	1	600	0	0
Tennessee Technological Univer.	0	\$0	50	28,057	0	0
University of Memphis	0	\$0	0	0	0	0
TOTAL	0	\$0	97	\$48,757	0	\$0
State Tech / Community Colleges						
Chattanooga State Tech Com Coll	0	\$0	613	\$171,900	0	\$0
Cleveland State Comm College	0	\$0	217	88,602	0	0
Columbia State Comm College	0	\$0	289	104,000	0	0
Dyersburg State Comm College	0	\$0	93	31,511	0	0
Jackson State Comm College	0	\$0	45	21,600	0	0
Motlow State Comm College	0	\$0	260	116,421	0	0
Nashville State Comm College	0	\$0	250	93,205	0	0
Northeast State Tech Comm Coll	0	\$0	179	71,492	0	0
Pellissippi State Tech Comm Coll	0	\$0	279	101,346	0	0
Roane State Community College	0	\$0	271	119,145	0	0
Soutwest Tennessee Comm Coll	0	\$0	95	33,418	0	0
Volunteer State Community Coll	0	\$0	894	327,036	0	0
Walters State Community College	0	\$0	340	120,684	0	0
TOTAL	0	\$0	3,825	\$1,400,359	0	\$0

**Tennessee Education Lottery Scholarship Program
Dual Enrollment Grant
Awards By Institution**

	2004-2005		2005-2006		2006-2007	
	Actual Recipients		Actual Recipients		Eligible Through 9/01/06	
	Students	\$	Students	\$	Students	\$
Technology Centers						
TN Tech Center at Athens	0	\$0	0	\$0	0	\$0
TN Tech Center at Chattanooga	0	\$0	0	0	0	0
TN Tech Center at Covington	0	\$0	19	5,700	0	0
TN Tech Center at Crossville	0	\$0	81	26,700	0	0
TN Tech Center at Crump	0	\$0	3	800	0	0
TN Tech Center at Dickson	0	\$0	0	0	0	0
TN Tech Center at Elizabethton	0	\$0	0	0	0	0
TN Tech Center at Harriman	0	\$0	4	1,200	0	0
TN Tech Center at Hartsville	0	\$0	13	4,800	0	0
TN Tech Center at Hohenwald	0	\$0	54	16,200	0	0
TN Tech Center at Jacksboro	0	\$0	20	6,000	0	0
TN Tech Center at Jackson	0	\$0	0	0	0	0
TN Tech Center at Knoxville	0	\$0	0	0	0	0
TN Tech Center at Livingston	0	\$0	61	25,800	0	0
TN Tech Center at McKenzie	0	\$0	3	900	0	0
TN Tech Center at McMinnville	0	\$0	0	0	0	0
TN Tech Center at Memphis	0	\$0	0	0	0	0
TN Tech Center at Morristown	0	\$0	25	11,400	0	0
TN Tech Center at Murfreesboro	0	\$0	1	300	0	0
TN Tech Center at Nashville	0	\$0	0	0	0	0
TN Tech Center at Newbern	0	\$0	25	11,400	0	0
TN Tech Center at Oneida	0	\$0	85	24,900	0	0
TN Tech Center at Paris	0	\$0	64	19,050	0	0
TN Tech Center at Pulaski	0	\$0	71	24,600	0	0
TN Tech Center at Ripley	0	\$0	0	0	0	0
TN Tech Center at Shelbyville	0	\$0	0	0	0	0
TN Tech Center at Whiteville	0	\$0	0	0	0	0
TOTAL	0	\$0	529	\$179,750	0	\$0
Total Awards By Institution Type						
Independent / Four-Year	0	\$0	388	\$162,610	0	\$0
Independent / Two-Year	0	0	52	24,080	0	0
Private / Business & Trade	0	0	0	0	0	0
University of Tennessee System	0	0	574	244,800	0	0
Board of Regents / Four-Year	0	0	97	48,757	0	0
State Tech / Community Colleges	0	0	3,825	1,400,359	0	0
Technology Centers	0	0	529	179,750	0	0
GRAND TOTAL	0	\$0	5,465	\$2,060,356	0	\$0

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

Information Item D: **Federal Family Education Loan Program Status Report**

Staff Recommendation For information only.

Background The Federal Family Education Loan Program provides three types of new loans.

Subsidized Stafford loans are made to students who demonstrate financial need. Students do not have to begin repayment until they leave school, and the federal government pays the interest while the students are enrolled.

Students unable to demonstrate financial need may receive similar *unsubsidized Stafford loans*. While repayment is deferred until the students leave school, they are responsible for the interest while they are enrolled.

PLUS loans are made to parents of students. Financial need is not a factor, and repayment begins immediately.

The first supporting document reflects that TSAC guaranteed \$732 million in these three programs in 2005-06. In the first two months of 2006-07 processing, \$378 million has been guaranteed. Details are provided in the document *Federal Family Education Loan Program Update, Loan Volume Comparison for 2005-06 to 2006-07*, September 28, 2006.

The second supporting document reflects that TSAC guaranteed \$767 million in these three programs in 2004-05. In 2005-06, TSAC guaranteed \$732 million in the three programs which represents a decrease of 4.62% from the previous year. Details are provided in the document *Federal Family Education Loan Program Update, Loan Volume Comparison for 2004-05 to 2005-06*, September 28, 2006.

Supporting Document *Federal Family Education Loan Program Update, Loan Volume Comparison for 2005-06 to 2006-07*, September 28, 2006.

Federal Family Education Loan Program Update, Loan Volume Comparison for 2004-05 to 2005-06, September 28, 2006.

Federal Family Education Loan Program Update,
Loan Volume Comparison 2005-06 to 2006-07

September 28, 2006

Tennessee Student Assistance Corporation
Parkway Towers, Suite 1950
404 James Robertson Parkway
Nashville, Tennessee 37243-0820
(615) 741-1346

www.CollegePaysTN.com

Federal Family Education Loan Program

	2005-06		2006-07	
	Actual		As Of 8/31/06	
	<u>Loans*</u>	<u>\$</u>	<u>Loans*</u>	<u>\$</u>
<u>Stafford Loan Program (Subsidized)</u>				
Independent / Four-Years	27,741	\$106,694,202	10,216	\$42,486,970
Independent / Two-Years	232	521,177	6	10,938
Private/Business and Trade	9,235	24,885,687	1,383	3,878,537
Board of Regents	19,540	66,340,523	9,291	36,367,602
University of Tennessee System	13,754	54,865,563	11,016	51,176,268
State Tech/Community Colleges	13,658	31,694,401	6,221	16,098,817
School of Nursing	8	11,378	0	0
Tennessee Technology Centers	<u>146</u>	<u>302,160</u>	<u>4</u>	<u>9,625</u>
	84,314	\$285,315,091	38,137	\$150,028,757
<u>Stafford Loan Program (Unsubsidized)</u>				
Independent / Four-Years	23,985	\$112,093,272	8,154	\$42,564,530
Independent / Two-Years	181	548,503	6	14,275
Private/Business and Trade	9,033	25,120,895	1,384	4,279,586
Board of Regents	15,222	54,451,236	7,401	31,629,666
University of Tennessee System	12,142	55,104,858	9,008	52,336,583
State Tech/Community Colleges	7,396	18,102,694	3,405	9,771,275
School of Nursing	8	13,330	0	0
Tennessee Technology Centers	<u>131</u>	<u>403,073</u>	<u>8</u>	<u>26,808</u>
	68,098	\$265,837,861	29,366	\$140,622,723
<u>PLUS Loan Program</u>				
Independent / Four-Years	4,906	\$49,487,298	1,976	\$22,472,790
Independent / Two-Years	28	110,566	1	4,000
Private/Business and Trade	616	4,367,729	161	1,706,053
Board of Regents	2,312	13,995,585	1,369	9,789,206
University of Tennessee System	1,707	11,935,331	1,287	11,370,827
State Tech/Community Colleges	161	672,300	47	208,905
Tennessee Technology Centers	<u>1</u>	<u>7,500</u>	<u>0</u>	<u>0</u>
	9,731	\$80,576,309	4,841	\$45,551,781
<u>COMBINED LOAN PROGRAMS</u>				
Independent / Four-Years	56,632	\$268,274,772	20,346	\$107,524,290
Independent / Two-Years	441	1,180,246	13	29,213
Private/Business and Trade	18,884	54,374,311	2,928	9,864,176
Board of Regents	37,074	134,787,344	18,061	77,786,474
University of Tennessee System	27,603	121,905,752	21,311	114,883,678
State Tech/Community Colleges	21,215	50,469,395	9,673	26,078,997
School of Nursing	16	24,708	0	0
Tennessee Technology Centers	<u>278</u>	<u>712,733</u>	<u>12</u>	<u>36,433</u>
	162,143	\$631,729,261	72,344	\$336,203,261
<u>Other (Out-of-State) Schools</u>	25,428	\$99,989,462	9,117	\$42,001,252
<u>GRAND TOTAL</u>	187,571	\$731,718,723	81,461	\$378,204,513

* Note that the number of loans is reported on a semester or term basis. For example, two loans would be reported for an individual who borrowed in both the fall and spring semesters.

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Subsidized*)

	2005-06		2006-07	
	Actual		As Of 8/31/06	
	Loans*	\$	Loans*	\$
<u>INDEPENDENT/FOUR-YEARS</u>				
Aquinas College (All Branches)	832	\$2,097,668	56	\$172,073
Baptist Memorial College of Health	693	2,452,383	226	742,682
Belmont University	2,735	13,034,986	227	1,095,117
Bethel College	1,908	5,768,536	381	1,139,317
Bryan College	487	1,670,671	335	1,187,682
Carson-Newman College	1,266	4,005,628	443	1,698,210
Christian Brothers University	1,087	4,229,979	680	2,812,908
Church of God Theological Seminary	101	690,689	22	171,533
Cumberland University	799	2,314,905	45	140,815
Emmanuel School of Religion	26	162,620	4	31,500
Free Will Baptist Bible College	213	796,270	124	519,980
Freed-Hardeman University	20	91,719	1	5,500
Johnson Bible College	335	1,148,792	80	384,347
King College	611	2,560,918	242	996,715
Lambuth University	412	1,445,722	191	699,831
Lee University	2,988	10,097,849	1,111	4,367,845
Lincoln Memorial University	1,872	6,471,096	995	4,186,062
Lipscomb University	1,152	4,037,334	600	2,268,657
Martin Methodist College	546	1,682,895	286	1,001,987
Maryville College	464	1,706,836	565	2,111,634
Meharry Medical College	429	3,559,189	244	2,010,780
Memphis College of Art	56	199,998	63	271,114
Memphis Theological Seminary	23	171,723	3	19,000
Milligan College	655	2,991,284	141	691,509
Rhodes College	55	239,496	31	133,380
Southern College of Optometry	2	17,000	0	0
Temple Baptist Seminary	13	71,249	0	0
Tennessee Temple University	15	35,341	192	657,632
Tennessee Wesleyan College	420	1,365,338	401	1,516,638
Trevecca Nazarene University	1,570	6,747,014	263	1,212,553
Tusculum College	2,109	6,973,541	641	2,427,857
Union University	1,571	6,570,246	648	3,258,795
University of the South	353	1,087,184	196	575,301
Vanderbilt University (All Branches)	1,723	9,501,625	721	3,745,162
Watkins College of Art and Design	<u>200</u>	<u>696,478</u>	<u>58</u>	<u>232,854</u>
TOTAL	27,741	\$106,694,202	10,216	\$42,486,970
AVERAGE LOAN		\$3,846		\$4,015

INDEPENDENT/TWO-YEARS

Hiwassee College	173	\$382,315	5	\$8,313
John A Gupton College	<u>59</u>	<u>138,862</u>	<u>1</u>	<u>2,625</u>
TOTAL	232	\$ 521,177	6	\$10,938
AVERAGE LOAN		\$2,246		\$1,823

BUSINESS & TRADE

Arnolds Beauty School	35	\$131,925	9	\$19,141
Concorde Career Institute	5	8,867	1	2,188
Draughon's Junior College (All Branches)	3,916	9,799,969	497	1,268,240
Electronic Computer Programming College	131	298,490	29	68,205
Fountainhead College of Technology	188	601,867	8	16,626

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Subsidized*)

	2005-06		2006-07	
	Actual		As Of 8/31/06	
	Loans*	\$	Loans*	\$
ITT Technical Institute (All Branches)	5	14,875	2	4,625
Institute of Hair Design	4	10,500	0	0
Jon Nave University of Cosmetology	9	15,575	0	0
McCollum & Ross - The Hair School	79	197,214	2	1,507
MedVance Institute	59	142,463	12	29,726
Middle Tennessee School of Anesthesia	185	1,448,387	43	338,394
Miller-Motte Business College (All Branches)	1,108	2,827,652	266	685,224
Mr Wayne's School Unisex Hair Design	7	18,375	1	2,625
Nashville Auto Diesel College	4	12,250	1	525
Nashville College of Medical Career	234	590,044	30	75,918
New Concepts School of Cosmetology	0	0	9	19,702
New Directions Hair Academy (All Branches)	169	377,024	17	23,893
New Wave Hair Academy (All Branches)	275	676,463	5	7,444
North Central Institute	34	82,494	10	25,900
Nossi College of Art	423	1,191,644	0	0
O'More College of Design	113	412,304	82	327,101
Plaza Beauty School	126	276,668	18	40,283
SAE Institute of Technology	149	390,900	30	78,750
South College	1,147	3,303,078	227	645,286
Southeastern Career College	322	881,270	10	32,771
Tennessee Academy of Cosmetology (All Branches)	202	360,760	41	76,732
Tennessee Career College	106	331,279	8	26,849
Volunteer Beauty Academy (All Branches)	<u>200</u>	<u>483,350</u>	<u>25</u>	<u>60,882</u>
TOTAL	9,235	\$24,885,687	1,383	\$3,878,537
AVERAGE LOAN		\$2,695		\$2,804

BOARD OF REGENTS

Austin Peay State University	6,422	\$21,301,038	2,102	\$8,177,796
East Tennessee State University	4,652	17,643,423	2,929	12,163,268
Middle Tennessee State University	8,456	27,355,027	4,259	16,019,713
Tennessee State University	9	38,410	1	6,825
Tennessee Technological University	<u>1</u>	<u>2,625</u>	<u>0</u>	<u>0</u>
TOTAL	19,540	\$66,340,523	9,291	\$36,367,602
AVERAGE LOAN		\$3,395		\$3,914

UNIVERSITY OF TENNESSEE SYSTEM

University of Tennessee, Chattanooga	3,118	\$11,670,428	2,187	\$8,961,368
University of Tennessee, Knoxville	7,224	30,649,020	6,322	31,128,231
University of Tennessee, Martin	3,135	10,345,801	2,157	8,196,474
University of Tennessee, Memphis	<u>277</u>	<u>2,200,314</u>	<u>350</u>	<u>2,890,195</u>
TOTAL	13,754	\$54,865,563	11,016	\$51,176,268
AVERAGE LOAN		\$3,989		\$4,646

STATE TECH/COMMUNITY COLLEGES

Chattanooga State Technical Community College	3,004	\$7,766,565	1,688	\$4,500,683
Cleveland State Community College	574	1,318,680	230	588,098
Columbia State Community College	1,079	2,604,712	367	997,168
Dyersburg State Community College	667	1,510,840	211	541,575

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Subsidized*)

	2005-06		2006-07	
	Actual		As Of 8/31/06	
	Loans*	\$	Loans*	\$
Nashville State Technical Community College	2,187	5,180,765	908	2,315,654
Northeast State Technical Community College	1,087	2,435,030	260	696,473
Pellissippi State Technical Community College	1,694	3,180,587	755	1,720,770
Roane State Community College	977	2,526,814	691	1,899,184
Volunteer State Community College	1,594	3,315,140	853	2,184,663
Walters State Community College	<u>795</u>	<u>1,855,268</u>	<u>258</u>	<u>654,549</u>
TOTAL	13,658	\$31,694,401	6,221	\$16,098,817
AVERAGE LOAN		\$2,321		\$2,588
 <u>SCHOOL OF NURSING</u>				
Methodist Hospital School of Nursing	<u>8</u>	<u>\$11,378</u>	<u>0</u>	<u>\$0</u>
TOTAL	8	\$11,378	0	\$0
AVERAGE LOAN		\$1,422		\$0
 <u>TENNESSEE TECHNOLOGY CENTERS</u>				
Tennessee Technology Center at Nashville	<u>146</u>	<u>\$302,160</u>	<u>4</u>	<u>\$9,625</u>
TOTAL	146	\$302,160	4	\$9,625
AVERAGE LOAN		\$2,070		\$2,406
 <u>GRAND TOTAL</u>				
AVERAGE LOAN	84,314	\$285,315,091	38,137	\$150,028,757
		\$3,384		\$3,934

* Note that the number of loans is reported on a semester or term basis. For example, two loans would be reported for an individual who borrowed in both the fall and spring semesters.

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Unsubsidized*)

	2005-06		2006-07	
	Actual		As Of 8/31/06	
	Loans*	\$	Loans*	\$
<u>INDEPENDENT/FOUR-YEARS</u>				
Aquinas College (All Branches)	723	\$2,621,409	59	\$228,388
Baptist Memorial College of Health	637	2,532,381	218	854,426
Belmont University	1,900	11,506,384	189	1,088,128
Bethel College	1,776	6,125,002	309	1,016,725
Bryan College	266	886,842	174	617,833
Carson-Newman College	941	3,057,821	304	1,273,296
Christian Brothers University	1,028	4,722,867	665	3,462,960
Church of God Theological Seminary	34	174,615	10	73,940
Cumberland University	970	3,149,446	91	340,557
Emmanuel School of Religion	3	11,500	0	0
Free Will Baptist Bible College	128	492,677	61	254,402
Freed-Hardeman University	9	53,438	1	5,000
Johnson Bible College	248	800,238	63	299,151
King College	402	1,858,201	164	700,541
Lambuth University	269	815,555	111	358,554
Lee University	2,048	7,081,126	748	3,352,105
Lincoln Memorial University	2,190	11,289,209	936	5,145,028
Lipscomb University	930	3,598,874	451	1,871,325
Martin Methodist College	451	1,468,938	162	584,833
Maryville College	323	1,165,796	344	1,313,281
Meharry Medical College	445	10,174,149	234	5,703,202
Memphis College of Art	42	158,985	54	225,486
Memphis Theological Seminary	7	55,882	4	17,000
Milligan College	533	2,521,991	124	640,460
Rhodes College	50	215,626	24	99,617
Southern College of Optometry	4	8,910	0	0
Temple Baptist Seminary	6	44,120	0	0
Tennessee Temple University	8	30,722	92	337,448
Tennessee Wesleyan College	355	1,189,811	285	1,139,992
Trevecca Nazarene University	1,573	7,803,045	250	1,219,827
Tusculum College	2,075	8,351,080	572	2,392,972
Union University	1,475	7,275,859	597	3,409,631
University of the South	228	770,400	98	338,048
Vanderbilt University (All Branches)	1,754	9,485,725	716	4,000,005
Watkins College of Art and Design	<u>154</u>	<u>594,648</u>	<u>44</u>	<u>200,369</u>
TOTAL	23,985	\$112,093,272	8,154	\$42,564,530
AVERAGE LOAN		\$4,673		\$5,220
<u>INDEPENDENT/TWO-YEARS</u>				
Hiwassee College	116	\$341,388	4	\$7,650
John A Gupton College	<u>65</u>	<u>207,115</u>	<u>2</u>	<u>6,625</u>
TOTAL	181	\$548,503	6	\$14,275
AVERAGE LOAN		\$3,030		\$2,379
<u>PRIVATE/BUSINESS & TRADE</u>				
Arnolds Beauty School	28	\$81,066	5	\$14,516
Concorde Career Institute	3	4,131	1	1,943
Draughon's Junior College (All Branches)	4,027	6,498,190	579	1,141,721
Electronic Computer Programming College	98	147,810	22	40,679
Fountainhead College of Technology	129	487,928	7	27,000

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Unsubsidized*)

	2005-06		2006-07	
	Actual		As Of 8/31/06	
	Loans*	\$	Loans*	\$
ITT Technical Institute (All Branches)	5	19,500	2	4,113
Institute of Hair Design	0	0	1	4,000
Jon Nave University of Cosmetology	2	1,411	0	0
McCollum & Ross - The Hair School	74	268,235	0	0
MedVance Institute	43	129,534	9	19,609
Middle Tennessee School of Anesthesia	193	2,073,209	48	549,606
Miller-Motte Business College (All Branches)	1,111	3,725,343	270	958,070
Mr Wayne's School Unisex Hair Design	1	2,625	1	2,625
Nashville Auto Diesel College	2	8,000	1	2,000
Nashville College of Medical Career	255	728,515	40	110,467
New Concepts School of Cosmetology	0	0	7	13,448
New Directions Hair Academy (All Branches)	161	436,704	17	23,474
New Wave Hair Academy (All Branches)	266	968,091	4	6,644
North Central Institute	30	105,200	7	26,600
Nossi College of Art	380	1,482,762	0	0
O'More College of Design	84	362,979	38	166,904
Plaza Beauty School	84	193,549	15	47,847
SAE Institute of Technology	115	454,250	21	85,250
South College	1,124	4,375,761	210	847,424
Southeastern Career College	324	1,234,238	9	21,373
Tennessee Academy of Cosmetology (All Branches)	208	279,706	44	70,009
Tennessee Career College	119	430,804	7	25,431
Volunteer Beauty Academy (All Branches)	<u>167</u>	<u>621,354</u>	<u>19</u>	<u>68,833</u>
TOTAL	9,033	\$25,120,895	1,384	\$4,279,586
AVERAGE LOAN		\$2,781		\$3,092

BOARD OF REGENTS

Austin Peay State University	4,863	\$18,363,875	1,552	\$7,285,142
East Tennessee State University	3,369	12,752,289	2,164	9,532,267
Middle Tennessee State University	6,980	23,286,998	3,684	14,811,183
Tennessee State University	9	44,074	1	1,074
Tennessee Technological University	<u>1</u>	<u>4,000</u>	<u>0</u>	<u>0</u>
TOTAL	15,222	\$54,451,236	7,401	\$31,629,666
AVERAGE LOAN		\$3,577		\$4,274

UNIVERSITY OF TENNESSEE SYSTEM

University of Tennessee, Chattanooga	2,737	\$10,089,504	1,971	\$9,002,744
University of Tennessee, Knoxville	6,359	31,529,658	5,110	30,656,561
University of Tennessee, Martin	2,526	8,710,049	1,600	6,406,428
University of Tennessee, Memphis	<u>520</u>	<u>4,775,647</u>	<u>327</u>	<u>6,270,850</u>
TOTAL	12,142	\$55,104,858	9,008	\$52,336,583
AVERAGE LOAN		\$4,538		\$5,810

STATE TECH/COMMUNITY COLLEGES

Chattanooga State Technical Community College	1,031	\$2,405,412	685	\$1,697,953
Cleveland State Community College	427	931,890	174	443,191
Columbia State Community College	821	2,185,188	312	978,835
Dyersburg State Community College	207	440,841	72	163,861

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Unsubsidized*)

	2005-06		2006-07	
	Actual		As Of 8/31/06	
	Loans*	\$	Loans*	\$
Nashville State Technical Community College	1,650	5,238,767	694	2,477,636
Northeast State Technical Community College	625	1,100,122	102	212,125
Pellissippi State Technical Community College	826	1,478,463	407	915,403
Roane State Community College	729	2,105,472	549	1,886,195
Volunteer State Community College	559	1,077,485	273	674,726
Walters State Community College	<u>521</u>	<u>1,139,054</u>	<u>137</u>	<u>321,350</u>
TOTAL	7,396	\$18,102,694	3,405	\$9,771,275
AVERAGE LOAN		\$2,448		\$2,870
<u>SCHOOL OF NURSING</u>				
Methodist Hospital School of Nursing	8	<u>\$13,330</u>	0	<u>\$0</u>
TOTAL	8	\$13,330	0	\$0
AVERAGE LOAN		\$1,666		\$0
<u>TENNESSEE TECHNOLOGY CENTERS</u>				
Tennessee Technology Center at Nashville	<u>131</u>	<u>\$403,073</u>	<u>8</u>	<u>\$26,808</u>
TOTAL	131	\$403,073	8	\$26,808
AVERAGE LOAN		\$3,077		\$3,351
<u>GRAND TOTAL</u>	68,098	\$265,837,861	29,366	\$140,622,723
AVERAGE LOAN		\$3,904		\$4,789

* Note that the number of loans is reported on a semester or term basis. For example, two loans would be reported for an individual who borrowed in both the fall and spring semesters.

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal PLUS Loan Program

	2005-06		2006-07	
	Actual		As Of 8/31/06	
	Loans*	\$	Loans*	\$
<u>INDEPENDENT/FOUR-YEARS</u>				
Aquinas College (All Branches)	67	\$381,450	0	\$0
Baptist Memorial College of Health	82	419,256	24	133,678
Belmont University	881	12,835,628	242	3,450,365
Bethel College	48	259,175	24	149,417
Bryan College	153	1,227,106	75	661,406
Carson-Newman College	251	1,790,130	108	939,063
Christian Brothers University	109	724,729	72	515,809
Cumberland University	124	810,923	5	38,825
Free Will Baptist Bible College	75	628,649	39	334,500
Freed-Hardeman University	4	60,770	1	14,225
Johnson Bible College	70	322,224	18	119,287
King College	110	811,978	84	669,711
Lambuth University	69	514,214	12	110,605
Lee University	438	3,538,890	156	1,454,394
Lincoln Memorial University	160	684,865	18	106,681
Lipscomb University	442	3,666,552	2	7,500
Martin Methodist College	72	382,331	21	120,780
Maryville College	149	1,067,962	126	1,132,811
Meharry Medical College	0	0	229	2,299,864
Memphis College of Art	20	279,102	22	336,570
Milligan College	156	1,294,409	45	374,763
Rhodes College	27	291,028	8	102,817
Temple Baptist Seminary	1	4,901	0	0
Tennessee Temple University	3	26,200	12	60,320
Tennessee Wesleyan College	115	719,492	91	708,111
Trevecca Nazarene University	245	1,985,105	42	365,369
Tusculum College	144	1,002,186	50	363,918
Union University	251	2,379,076	102	991,238
University of the South	151	2,522,054	94	1,532,383
Vanderbilt University (All Branches)	458	8,571,592	238	5,166,005
Watkins College of Art and Design	31	285,321	16	212,375
TOTAL	4,906	\$49,487,298	1,976	\$22,472,790
AVERAGE LOAN		\$10,087		\$11,373

INDEPENDENT/TWO-YEARS

Hiwassee College	15	\$61,126	0	\$0
John A Gupton College	13	49,440	1	4,000
TOTAL	28	\$110,566	1	\$4,000
AVERAGE LOAN		\$3,949		\$4,000

PRIVATE/BUSINESS & TRADE

Arnolds Beauty School	4	\$15,593	2	\$10,330
Concorde Career Institute	2	6,327	0	0
Draughon's Junior College (All Branches)	158	556,659	16	70,641
Electronic Computer Programming College	14	32,729	3	5,321
Fountainhead College of Technology	48	425,805	9	96,307
ITT Technical Institute (All Branches)	3	33,119	1	9,291
McCollum & Ross - The Hair School	8	25,934	0	0
MedVance Institute	4	8,853	0	0
Middle Tennessee School of Anesthesia	0	0	51	658,610

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal PLUS Loan Program

	2005-06		2006-07	
	Actual		As Of 8/31/06	
	Loans*	\$	Loans*	\$
Miller-Motte Business College (All Branches)	57	409,461	11	76,455
Nashville Auto Diesel College	4	31,468	0	0
Nashville College of Medical Career	9	21,263	0	0
New Directions Hair Academy (All Branches)	35	210,594	1	1,110
New Wave Hair Academy (All Branches)	4	27,357	0	0
North Central Institute	1	13,000	0	0
Nossi College of Art	44	276,020	5	33,550
O'More College of Design	39	352,622	19	162,569
Plaza Beauty School	9	57,495	1	3,141
SAE Institute of Technology	60	1,023,854	19	389,962
South College	69	558,972	20	166,121
Southeastern Career College	7	54,284	0	0
Tennessee Academy of Cosmetology (All Branches)	11	21,424	0	0
Tennessee Career College	9	76,519	0	0
Volunteer Beauty Academy (All Branches)	17	128,377	3	22,645
TOTAL	616	\$4,367,729	161	\$1,706,053
AVERAGE LOAN		\$7,090		\$10,597
<u>BOARD OF REGENTS</u>				
Austin Peay State University	412	\$2,416,406	154	\$1,025,981
East Tennessee State University	549	3,395,849	341	2,591,986
Middle Tennessee State University	1,100	6,699,951	807	5,699,171
Tennessee State University	11	84,250	2	17,816
Tennessee Technological University	240	1,399,129	65	454,252
TOTAL	2,312	\$13,995,585	1,369	\$9,789,206
AVERAGE LOAN		\$6,053		\$7,151
<u>UNIVERSITY OF TENNESSEE SYSTEM</u>				
University of Tennessee, Chattanooga	315	\$1,789,808	183	\$1,324,159
University of Tennessee, Knoxville	1,070	8,960,831	831	8,297,502
University of Tennessee, Martin	311	1,094,692	208	1,141,478
University of Tennessee, Memphis	11	90,000	65	607,688
TOTAL	1,707	\$11,935,331	1,287	\$11,370,827
AVERAGE LOAN		\$6,992		\$8,835
<u>STATE TECH/COMMUNITY COLLEGES</u>				
Chattanooga State Technical Community College	21	\$74,412	7	\$31,220
Cleveland State Community College	12	34,728	7	22,638
Columbia State Community College	17	88,700	4	15,000
Dyersburg State Community College	4	12,600	0	0
Nashville State Technical Community College	6	26,500	0	0
Northeast State Technical Community College	18	83,637	1	5,000
Pellissippi State Technical Community College	66	279,915	21	109,384
Volunteer State Community College	17	71,808	7	25,663
TOTAL	161	\$672,300	47	\$208,905
AVERAGE LOAN		\$4,176		\$4,445

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal PLUS Loan Program

		2005-06		2006-07	
		Actual		As Of 8/31/06	
		Loans*	\$	Loans*	\$
<u>TENNESSEE TECHNOLOGY CENTERS</u>					
Tennessee Technology Center at Nashville		<u>1</u>	<u>\$7,500</u>	<u>0</u>	<u>\$0</u>
TOTAL		1	\$7,500	0	\$0
AVERAGE LOAN			\$7,500		\$0
<u>GRAND TOTAL</u>		9,731	\$80,576,309	4,841	\$45,551,781
	AVERAGE LOAN		\$8,280		\$9,410

* Note that the number of loans is reported on a semester or term basis. For example, two loans would be reported for an individual who borrowed in both the fall and spring semesters.

Federal Family Education Loan Program Update,
Loan Volume Comparison 2004-05 to 2005-06

September 28, 2006

Tennessee Student Assistance Corporation
Parkway Towers, Suite 1950
404 James Robertson Parkway
Nashville, Tennessee 37243-0820
(615) 741-1346

www.CollegePaysTN.com

Federal Family Education Loan Program

	2004-05		2005-06	
	Actual		Actual	
	<u>Loans*</u>	<u>\$</u>	<u>Loans*</u>	<u>\$</u>
<u>Stafford Loan Program (Subsidized)</u>				
Independent / Four-Years	26,140	\$101,565,439	27,741	\$106,694,202
Independent / Two-Years	258	575,971	232	521,177
Private/Business and Trade	8,348	21,633,275	9,235	24,885,687
Board of Regents	24,197	82,065,169	19,540	66,340,523
University of Tennessee System	16,034	68,094,224	13,754	54,865,563
State Tech/Community Colleges	13,598	31,438,573	13,658	31,694,401
School of Nursing	39	96,839	8	11,378
Tennessee Technology Centers	<u>261</u>	<u>541,540</u>	<u>146</u>	<u>302,160</u>
	88,875	\$306,011,030	84,314	\$285,315,091
<u>Stafford Loan Program (Unsubsidized)</u>				
Independent / Four-Years	21,716	\$108,051,984	23,985	\$112,093,272
Independent / Two-Years	182	551,858	181	548,503
Private/Business and Trade	7,449	21,306,991	9,033	25,120,895
Board of Regents	16,927	57,895,086	15,222	54,451,236
University of Tennessee System	13,587	68,458,163	12,142	55,104,858
State Tech/Community Colleges	6,764	15,861,223	7,396	18,102,694
School of Nursing	43	142,536	8	13,330
Tennessee Technology Centers	<u>121</u>	<u>360,251</u>	<u>131</u>	<u>403,073</u>
	66,789	\$272,628,092	68,098	\$265,837,861
<u>PLUS Loan Program</u>				
Independent / Four-Years	4,311	\$40,331,389	4,906	\$49,487,298
Independent / Two-Years	26	121,778	28	110,566
Private/Business and Trade	570	3,313,674	616	4,367,729
Board of Regents	3,038	18,540,350	2,312	13,995,585
University of Tennessee System	1,891	13,592,006	1,707	11,935,331
State Tech/Community Colleges	137	491,679	161	672,300
Tennessee Technology Centers	<u>1</u>	<u>8,633</u>	<u>1</u>	<u>7,500</u>
	9,974	\$76,399,509	9,731	\$80,576,309
<u>COMBINED LOAN PROGRAMS</u>				
Independent / Four-Years	52,167	\$249,948,812	56,632	\$268,274,772
Independent / Two-Years	466	1,249,607	441	1,180,246
Private/Business and Trade	16,367	46,253,940	18,884	54,374,311
Board of Regents	44,162	158,500,605	37,074	134,787,344
University of Tennessee System	31,512	150,144,393	27,603	121,905,752
State Tech/Community Colleges	20,499	47,791,475	21,215	50,469,395
School of Nursing	82	239,375	16	24,708
Tennessee Technology Centers	<u>383</u>	<u>910,424</u>	<u>278</u>	<u>712,733</u>
	165,638	\$655,038,631	162,143	\$631,729,261
<u>Other (Out-of-State) Schools</u>	31,101	\$112,122,433	25,428	\$99,989,462
<u>GRAND TOTAL</u>	196,739	\$767,161,064	187,571	\$731,718,723

* Note that the number of loans is reported on a semester or term basis. For example, two loans would be reported for an individual who borrowed in both the fall and spring semesters.

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Subsidized*)

	2004-05		2005-06	
	Actual		Actual	
	Loans*	\$	Loans*	\$
<u>INDEPENDENT/FOUR-YEARS</u>				
Aquinas College (All Branches)	766	\$2,318,124	832	\$2,097,668
Baptist Memorial College of Health	585	2,003,057	693	2,452,383
Belmont University	947	4,083,472	2,735	13,034,986
Bethel College	1,637	5,069,308	1,908	5,768,536
Bryan College	382	1,446,324	487	1,670,671
Carson-Newman College	1,307	4,095,053	1,266	4,005,628
Christian Brothers University	1,075	4,371,723	1,087	4,229,979
Church of God Theological Seminary	114	671,745	101	690,689
Cumberland University	927	2,583,508	799	2,314,905
Emmanuel School of Religion	23	140,900	26	162,620
Free Will Baptist Bible College	206	755,265	213	796,270
Freed-Hardeman University	93	335,741	20	91,719
Johnson Bible College	435	1,474,295	335	1,148,792
King College	562	2,479,111	611	2,560,918
Lambuth University	420	1,487,765	412	1,445,722
Lee University	3,119	10,131,123	2,988	10,097,849
Lincoln Memorial University	1,587	5,289,298	1,872	6,471,096
Lipscomb University	1,207	4,122,900	1,152	4,037,334
Martin Methodist College	479	1,481,146	546	1,682,895
Maryville College	613	2,375,377	464	1,706,836
Meharry Medical College	820	6,846,253	429	3,559,189
Memphis College of Art	214	776,401	56	199,998
Memphis Theological Seminary	29	229,185	23	171,723
Milligan College	621	2,938,752	655	2,991,284
Rhodes College	107	387,317	55	239,496
Southern College of Optometry	1	8,500	2	17,000
Temple Baptist Seminary	8	51,200	13	71,249
Tennessee Temple University	1	1,045	15	35,341
Tennessee Wesleyan College	775	2,868,939	420	1,365,338
Trevecca Nazarene University	1,878	7,946,808	1,570	6,747,014
Tusculum College	1,844	6,318,943	2,109	6,973,541
Union University	869	3,410,346	1,571	6,570,246
University of the South	265	665,342	353	1,087,184
Vanderbilt University (All Branches)	2,033	11,739,749	1,723	9,501,625
Watkins College of Art and Design	191	661,424	200	696,478
TOTAL	26,140	\$101,565,439	27,741	\$106,694,202
AVERAGE LOAN		\$3,885		\$3,482
<u>INDEPENDENT/TWO-YEARS</u>				
Hiwassee College	169	\$362,267	173	\$382,315
John A Gupton College	89	213,704	59	138,862
TOTAL	258	\$575,971	232	\$521,177
AVERAGE LOAN		\$2,232		\$2,246
<u>PRIVATE/BUSINESS & TRADE</u>				
Arnolds Beauty School	39	\$89,404	35	\$131,925
Concorde Career Institute	53	106,106	5	8,867
Draughon's Junior College (All Branches)	3,199	7,918,424	3,916	9,799,969
Electronic Computer Programming College	149	342,571	131	298,490

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Subsidized*)

	2004-05		2005-06	
	Actual		Actual	
	Loans*	\$	Loans*	\$
Fountainhead College of Technology	201	645,949	188	601,867
ITT Technical Institute (All Branches)	0	0	5	14,875
Institute of Hair Design	0	0	4	10,500
Jon Nave University of Cosmetology	11	17,214	9	15,575
McCollum & Ross - The Hair School	149	368,098	79	197,214
MedVance Institute	298	756,731	59	142,463
Middle Tennessee School of Anesthesia	148	1,154,622	185	1,448,387
Miller-Motte Business College (All Branches)	732	1,532,986	1,108	2,827,652
Mr Wayne's School Unisex Hair Design	12	30,272	7	18,375
Nashville Auto Diesel College	9	19,430	4	12,250
Nashville College of Medical Career	252	627,031	234	590,044
New Directions Hair Academy (All Branches)	342	727,380	169	377,024
New Wave Hair Academy (All Branches)	499	1,241,860	275	676,463
North Central Institute	22	54,337	34	82,494
Nossi College of Art	383	1,076,801	423	1,191,644
O'More College of Design	94	328,809	113	412,304
Plaza Beauty School	107	242,816	126	276,668
Queen City Hair Design	1	2,486	0	0
SAE Institute of Technology	0	0	149	390,900
South College	1,122	3,213,633	1,147	3,303,078
Southeastern Career College	3	7,875	322	881,270
Tennessee Academy of Cosmetology (All Branches)	221	350,346	202	360,760
Tennessee Career College	120	332,941	106	331,279
Volunteer Beauty Academy (All Branches)	<u>182</u>	<u>445,153</u>	<u>200</u>	<u>483,350</u>
TOTAL	8,348	\$21,633,275	9,235	\$24,885,687
AVERAGE LOAN		\$2,591		\$2,695

BOARD OF REGENTS

Austin Peay State University	6,434	\$20,915,372	6,422	\$21,301,038
East Tennessee State University	6,688	25,087,621	4,652	17,643,423
Middle Tennessee State University	11,064	36,013,205	8,456	27,355,027
Tennessee State University	11	48,971	9	38,410
Tennessee Technological University	<u>0</u>	<u>0</u>	<u>1</u>	<u>2,625</u>
TOTAL	24,197	\$82,065,169	19,540	\$66,340,523
AVERAGE LOAN		\$3,392		\$3,395

UNIVERSITY OF TENNESSEE SYSTEM

University of Tennessee, Chattanooga	2,955	\$10,790,199	3,118	\$11,670,428
University of Tennessee, Knoxville	9,134	40,187,060	7,224	30,649,020
University of Tennessee, Martin	3,035	9,780,023	3,135	10,345,801
University of Tennessee, Memphis	<u>910</u>	<u>7,336,942</u>	<u>277</u>	<u>2,200,314</u>
TOTAL	16,034	\$68,094,224	13,754	\$54,865,563
AVERAGE LOAN		\$4,247		\$3,989

STATE TECH/COMMUNITY COLLEGES

Chattanooga State Technical Community College	3,505	\$9,256,661	3,004	\$7,766,565
Cleveland State Community College	516	1,152,615	574	1,318,680
Columbia State Community College	924	2,245,348	1,079	2,604,712
Dyersburg State Commuuty College	581	1,286,548	667	1,510,840

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Subsidized*)

	2004-05		2005-06	
	Actual		Actual	
	Loans*	\$	Loans*	\$
Nashville State Technical Community College	1,855	4,175,611	2,187	5,180,765
Northeast State Technical Community College	1,101	2,252,951	1,087	2,435,030
Pellissippi State Technical Community College	1,658	3,047,684	1,694	3,180,587
Roane State Community College	973	2,619,095	977	2,526,814
Volunteer State Community College	1,528	3,234,046	1,594	3,315,140
Walters State Community College	<u>957</u>	<u>2,168,014</u>	<u>795</u>	<u>1,855,268</u>
TOTAL	13,598	\$31,438,573	13,658	\$31,694,401
AVERAGE LOAN		\$2,312		\$2,321
<u>SCHOOL OF NURSING</u>				
Methodist Hospital School of Nursing	<u>39</u>	<u>\$96,839</u>	<u>8</u>	<u>\$11,378</u>
TOTAL	39	\$96,839	8	\$11,378
AVERAGE LOAN		\$2,483		\$1,422
<u>TENNESSEE TECHNOLOGY CENTERS</u>				
Tennessee Technology Center at Hohenwald	103	\$220,785	0	\$0
Tennessee Technology Center at Nashville	<u>158</u>	<u>320,755</u>	<u>146</u>	<u>302,160</u>
TOTAL	261	\$541,540	146	\$302,160
AVERAGE LOAN		\$2,075		\$2,070
<u>GRAND TOTAL</u>	88,875	\$306,011,030	84,314	\$285,315,091
AVERAGE LOAN		\$3,443		\$3,384

* Note that the number of loans is reported on a semester or term basis. For example, two loans would be reported for an individual who borrowed in both the fall and spring semesters.

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Unsubsidized*)

	2004-05		2005-06	
	Actual		Actual	
	Loans*	\$	Loans*	\$
<u>INDEPENDENT/FOUR-YEARS</u>				
Aquinas College (All Branches)	731	\$2,785,912	723	\$2,621,409
Baptist Memorial College of Health	541	2,170,089	637	2,532,381
Belmont University	768	4,223,302	1,900	11,506,384
Bethel College	1,418	4,967,483	1,776	6,125,002
Bryan College	218	837,328	266	886,842
Carson-Newman College	869	2,815,345	941	3,057,821
Christian Brothers University	1,032	4,932,766	1,028	4,722,867
Church of God Theological Seminary	33	140,972	34	174,615
Cumberland University	1,139	3,260,379	970	3,149,446
Emmanuel School of Religion	7	31,550	3	11,500
Free Will Baptist Bible College	93	365,769	128	492,677
Freed-Hardeman University	56	218,300	9	53,438
Johnson Bible College	275	906,808	248	800,238
King College	310	1,478,164	402	1,858,201
Lambuth University	249	805,149	269	815,555
Lee University	1,927	6,649,281	2,048	7,081,126
Lincoln Memorial University	1,817	8,864,313	2,190	11,289,209
Lipscomb University	712	2,619,923	930	3,598,874
Martin Methodist College	380	1,166,952	451	1,468,938
Maryville College	433	1,606,434	323	1,165,796
Meharry Medical College	837	19,137,837	445	10,174,149
Memphis College of Art	149	615,047	42	158,985
Memphis Theological Seminary	4	25,600	7	55,882
Milligan College	464	2,246,840	533	2,521,991
Rhodes College	82	306,072	50	215,626
Southern College of Optometry	1	7,944	4	8,910
Temple Baptist Seminary	2	11,500	6	44,120
Tennessee Temple University	1	1,500	8	30,722
Tennessee Wesleyan College	539	1,918,764	355	1,189,811
Trevecca Nazarene University	1,722	8,381,137	1,573	7,803,045
Tusculum College	1,738	6,963,735	2,075	8,351,080
Union University	933	3,982,970	1,475	7,275,859
University of the South	187	546,058	228	770,400
Vanderbilt University (All Branches)	1,895	12,486,639	1,754	9,485,725
Watkins College of Art and Design	<u>154</u>	<u>574,122</u>	<u>154</u>	<u>594,648</u>
TOTAL	21,716	\$108,051,984	23,985	\$112,093,272
AVERAGE LOAN		\$4,976		\$4,673
<u>INDEPENDENT/TWO-YEARS</u>				
Hiwassee College	105	\$280,958	116	\$341,388
John A Gupton College	<u>77</u>	<u>270,900</u>	<u>65</u>	<u>207,115</u>
TOTAL	182	\$551,858	181	\$548,503
AVERAGE LOAN		\$3,032		\$3,030
<u>PRIVATE/BUSINESS & TRADE</u>				
Arnolds Beauty School	28	\$83,269	28	\$81,066
Concorde Career Institute	42	69,231	3	4,131
Draughon's Junior College (All Branches)	2,735	5,242,151	4,027	6,498,190
Electronic Computer Programming College	110	184,066	98	147,810
Fountainhead College of Technology	164	638,600	129	487,928

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Unsubsidized*)

	2004-05		2005-06	
	Actual		Actual	
	Loans*	\$	Loans*	\$
ITT Technical Institute (All Branches)	1	2,625	5	19,500
Jon Nave University of Cosmetology	8	16,083	2	1,411
McCollum & Ross - The Hair School	142	525,430	74	268,235
MedVance Institute	272	730,112	43	129,534
Middle Tennessee School of Anesthesia	165	1,792,790	193	2,073,209
Miller-Motte Business College (All Branches)	711	1,743,537	1,111	3,725,343
Mr Wayne's School Unisex Hair Design	3	7,875	1	2,625
Nashville Auto Diesel College	6	16,966	2	8,000
Nashville College of Medical Career	266	601,825	255	728,515
New Directions Hair Academy (All Branches)	259	711,621	161	436,704
New Wave Hair Academy (All Branches)	468	1,716,940	266	968,091
North Central Institute	18	63,000	30	105,200
Nossi College of Art	330	1,263,615	380	1,482,762
O'More College of Design	58	248,352	84	362,979
Plaza Beauty School	91	184,582	84	193,549
SAE Institute of Technology	0	0	115	454,250
South College	1,088	4,172,442	1,124	4,375,761
Southeastern Career College	3	12,000	324	1,234,238
Tennessee Academy of Cosmetology (All Branches)	196	240,443	208	279,706
Tennessee Career College	143	499,572	119	430,804
Volunteer Beauty Academy (All Branches)	142	539,864	167	621,354
TOTAL	7,449	\$21,306,991	9,033	\$25,120,895
AVERAGE LOAN		\$2,860		\$2,781

BOARD OF REGENTS

Austin Peay State University	4,545	\$15,889,993	4,863	\$18,363,875
East Tennessee State University	3,869	13,597,075	3,369	12,752,289
Middle Tennessee State University	8,504	28,369,248	6,980	23,286,998
Tennessee State University	9	38,770	9	44,074
Tennessee Technological University	0	0	1	4,000
TOTAL	16,927	\$57,895,086	15,222	\$54,451,236
AVERAGE LOAN		\$3,420		\$3,577

UNIVERSITY OF TENNESSEE SYSTEM

University of Tennessee, Chattanooga	2,557	\$9,002,868	2,737	\$10,089,504
University of Tennessee, Knoxville	7,616	37,823,689	6,359	31,529,658
University of Tennessee, Martin	2,255	7,566,040	2,526	8,710,049
University of Tennessee, Memphis	1,159	14,065,566	520	4,775,647
TOTAL	13,587	\$68,458,163	12,142	\$55,104,858
AVERAGE LOAN		\$5,039		\$4,538

STATE TECH/COMMUNITY COLLEGES

Chattanooga State Technical Community College	1,084	\$2,484,146	1,031	\$2,405,412
Cleveland State Community College	381	750,716	427	931,890
Columbia State Community College	850	2,205,744	821	2,185,188
Dyersburg State Commuity College	207	406,184	207	440,841
Nashville State Technical Community College	1,368	4,107,625	1,650	5,238,767
Northeast State Technical Community College	612	990,687	625	1,100,122

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal Stafford Loan Program (*Unsubsidized*)

	2004-05		2005-06	
	Actual		Actual	
	Loans*	\$	Loans*	\$
Pellissippi State Technical Community College	704	1,239,483	826	1,478,463
Roane State Community College	648	1,880,427	729	2,105,472
Volunteer State Community College	451	840,486	559	1,077,485
Walters State Community College	<u>459</u>	<u>955,725</u>	<u>521</u>	<u>1,139,054</u>
TOTAL	6,764	\$15,861,223	7,396	\$18,102,694
AVERAGE LOAN		\$2,345		\$2,448
<u>SCHOOL OF NURSING</u>				
Methodist Hospital School of Nursing	<u>43</u>	<u>\$142,536</u>	<u>8</u>	<u>\$13,330</u>
TOTAL	43	\$142,536	8	\$13,330
AVERAGE LOAN		\$3,315		\$1,666
<u>TENNESSEE TECHNOLOGY CENTERS</u>				
Tennessee Technology Center at Nashville	<u>121</u>	<u>\$360,251</u>	<u>131</u>	<u>\$403,073</u>
TOTAL	121	\$360,251	131	\$403,073
AVERAGE LOAN		\$2,977		\$3,077
<u>GRAND TOTAL</u>	66,789	\$272,628,092	68,098	\$265,837,861
AVERAGE LOAN		\$4,082		\$3,904

* Note that the number of loans is reported on a semester or term basis. For example, two loans would be reported for an individual who borrowed in both the fall and spring semesters.

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal PLUS Loan Program

	2004-05		2005-06	
	Actual		Actual	
	Loans*	\$	Loans*	\$
<u>INDEPENDENT/FOUR-YEARS</u>				
Aquinas College (All Branches)	45	\$218,825	67	\$381,450
Baptist Memorial College of Health	50	211,875	82	419,256
Belmont University	520	6,424,791	881	12,835,628
Bethel College	41	173,528	48	259,175
Bryan College	107	914,670	153	1,227,106
Carson-Newman College	260	1,720,707	251	1,790,130
Christian Brothers University	120	755,063	109	724,729
Cumberland University	119	728,681	124	810,923
Free Will Baptist Bible College	64	510,270	75	628,649
Freed-Hardeman University	8	65,615	4	60,770
Johnson Bible College	85	383,767	70	322,224
King College	110	769,073	110	811,978
Lambuth University	92	655,716	69	514,214
Lee University	408	3,075,595	438	3,538,890
Lincoln Memorial University	130	639,379	160	684,865
Lipscomb University	411	3,471,915	442	3,666,552
Martin Methodist College	43	228,400	72	382,331
Maryville College	180	1,430,751	149	1,067,962
Memphis College of Art	93	1,304,959	20	279,102
Milligan College	128	1,024,382	156	1,294,409
Rhodes College	44	549,380	27	291,028
Southern Adventist University	1	15,000	0	0
Temple Baptist Seminary	0	0	1	4,901
Tennessee Temple University	0	0	3	26,200
Tennessee Wesleyan College	84	456,090	115	719,492
Trevecca Nazarene University	246	1,959,052	245	1,985,105
Tusculum College	143	905,674	144	1,002,186
Union University	181	1,661,532	251	2,379,076
University of the South	120	1,653,422	151	2,522,054
Vanderbilt University (All Branches)	468	8,359,955	458	8,571,592
Watkins College of Art and Design	10	63,322	31	285,321
TOTAL	4,311	\$40,331,389	4,906	\$49,487,298
AVERAGE LOAN		\$9,355		\$10,087

INDEPENDENT/TWO-YEARS

Hiwassee College	16	\$84,912	15	\$61,126
John A Gupton College	10	36,866	13	49,440
TOTAL	26	\$121,778	28	\$110,566
AVERAGE LOAN		\$4,684		\$3,949

PRIVATE/BUSINESS & TRADE

Arnolds Beauty School	5	\$25,800	4	\$15,593
Concorde Career Institute	2	5,814	2	6,327
Draughon's Junior College (All Branches)	111	369,953	158	556,659
Electronic Computer Programming College	35	75,400	14	32,729
Fountainhead College of Technology	50	447,054	48	425,805

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal PLUS Loan Program

	2004-05		2005-06	
	Actual		Actual	
	Loans*	\$	Loans*	\$
ITT Technical Institute (All Branches)	3	27,514	3	33,119
McCollum & Ross - The Hair School	6	38,260	8	25,934
MedVance Institute	10	34,670	4	8,853
Miller-Motte Business College (All Branches)	40	228,510	57	409,461
Mr Wayne's School Unisex Hair Design	1	2,400	0	0
Nashville Auto Diesel College	36	213,288	4	31,468
Nashville College of Medical Career	7	40,483	9	21,263
New Directions Hair Academy (All Branches)	41	263,412	35	210,594
New Wave Hair Academy (All Branches)	6	32,682	4	27,357
North Central Institute	4	24,501	1	13,000
Nossi College of Art	47	419,200	44	276,020
O'More College of Design	27	244,333	39	352,622
Plaza Beauty School	14	88,545	9	57,495
SAE Institute of Technology	0	0	60	1,023,854
South College	0	0	69	558,972
Southeastern Career College	69	534,812	7	54,284
Tennessee Academy of Cosmetology (All Branches)	16	30,104	11	21,424
Tennessee Career College	20	84,756	9	76,519
Volunteer Beauty Academy (All Branches)	<u>20</u>	<u>82,183</u>	<u>17</u>	<u>128,377</u>
TOTAL	570	\$3,313,674	616	\$4,367,729
AVERAGE LOAN		\$5,813		\$7,090

BOARD OF REGENTS

Austin Peay State University	433	\$2,342,112	412	\$2,416,406
East Tennessee State University	667	4,111,110	549	3,395,849
Middle Tennessee State University	1,561	9,306,433	1,100	6,699,951
Tennessee State University	172	1,696,083	11	84,250
Tennessee Technological University	<u>205</u>	<u>1,084,612</u>	<u>240</u>	<u>1,399,129</u>
TOTAL	3,038	\$18,540,350	2,312	\$13,995,585
AVERAGE LOAN		\$6,103		\$6,053

UNIVERSITY OF TENNESSEE SYSTEM

University of Tennessee, Chattanooga	340	\$1,759,544	315	\$1,789,808
University of Tennessee, Knoxville	1,290	10,651,929	1,070	8,960,831
University of Tennessee, Martin	261	1,180,533	311	1,094,692
University of Tennessee, Memphis	<u>0</u>	<u>0</u>	<u>11</u>	<u>90,000</u>
TOTAL	1,891	\$13,592,006	1,707	\$11,935,331
AVERAGE LOAN		\$7,188		\$6,992

STATE TECH/COMMUNITY COLLEGES

Chattanooga State Technical Community College	0	\$0	21	\$74,412
Cleveland State Community College	30	127,562	12	34,728
Columbia State Community College	11	35,074	17	88,700
Dyersburg State Community College	8	27,114	4	12,600
Nashville State Technical Community College	0	0	6	26,500
Northeast State Technical Community College	3	21,124	18	83,637

FEDERAL FAMILY EDUCATION LOAN PROGRAM
Federal PLUS Loan Program

	2004-05		2005-06	
	Actual		Actual	
	Loans*	\$	Loans*	\$
Pellissippi State Technical Community College	4	12,350	66	279,915
Roane State Community College	67	214,701	0	0
Volunteer State Community College	0	0	17	71,808
Walters State Community College	<u>14</u>	<u>53,754</u>	<u>0</u>	<u>0</u>
TOTAL	137	\$491,679	161	\$672,300
AVERAGE LOAN		\$3,589		\$4,176

TENNESSEE TECHNOLOGY CENTERS

Tennessee Technology Center at Nashville	<u>1</u>	<u>\$8,633</u>	<u>1</u>	<u>\$7,500</u>
TOTAL	1	\$8,633	1	\$7,500
AVERAGE LOAN		\$8,633		\$7,500

<u>GRAND TOTAL</u>	9,974	\$76,399,509	9,731	\$80,576,309
AVERAGE LOAN		\$7,660		\$7,500

* Note that the number of loans is reported on a semester or term basis. For example, two loans would be reported for an individual who borrowed in both the fall and spring semesters.

TENNESSEE STUDENT ASSISTANCE CORPORATION

Thursday, September 28, 2006

INFORMATION ITEM E: College Goal Sunday Report

Staff Recommendation For information only.

Background Tennessee's next College Goal Sunday (CGS) event is scheduled for February 18, 2007. Our goal is to have 30 sites across the state. At this time, we have commitments from 24 sites and we expect to have all 30 sites confirmed by October 9, 2006.

Last year's response from the financial aid community and all of our partners was tremendous, with more than 250 volunteers participating at the CGS sites and 1,118 students, parents and other family members in attendance.

Since the number of CGS sites is increasing, we expect to double both the number of volunteers and the number of students, parents and other family members participating in the 2007 College Goal Sunday.

Supporting Document None.